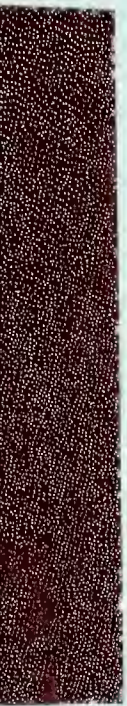






MEDICARE SMI ENROLLMENT EXTENSION



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TAX TREATMENT OF EXPROPRIATION LOSS RECOVERIES  
AND EXTENSION OF TIME FOR FILING MEDICARE  
SUPPLEMENTARY INSURANCE APPLICATIONS

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APRIL 1, 1966.—Ordered to be printed

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Mr. LONG of Louisiana, from the Committee on Finance, submitted  
the following

**R E P O R T**

[To accompany H.R. 6319]

The Committee on Finance, to which was referred the bill (H.R. 6319) to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

**I. COMMITTEE AMENDMENT—EXTENSION OF INITIAL  
ENROLLMENT PERIOD UNDER MEDICARE**

Your committee has added an amendment which amends the Social Security Act, title XVIII, so as to extend through May 31, 1966, the initial enrollment period for coverage under the program of supplementary medical insurance benefits for the aged. The program concerned is the part B segment of medicare.

**II. SUMMARY**

Your committee has adopted the House-passed provisions of H.R. 6319, relating to the treatment of recoveries of foreign expropriation losses. It has, however, added an amendment which amends the Social Security Act, title XVIII, so as to extend through May 31, 1966, the initial enrollment period for coverage under the program of supplementary medical insurance benefits for the aged. This bill, in the case of recoveries of foreign expropriation losses, provides a new set of rules generally limiting the tax on the recovery to the benefit previously received in deducting the loss (but applying

current tax rates), taking into account factors such as whether the loss offset income taxed at ordinary income tax rates or capital gains, tax rates, and the effect, if any, of the loss on foreign tax credits, etc. In hardship situations the bill also makes provision for payment of the tax on recoveries in 10 equal annual installments bearing interest at 4 percent. A special rule in the case of life insurance companies provides that a recovery, for purposes of this foreign expropriation loss provision, is to include the release of a life insurance reserve (or other item referred to in sec. 810(c)) resulting from the release of liabilities. These provisions apply to recoveries on or after January 1 1965.

The bill also makes provision for taxing recoveries with respect to foreign expropriation losses where a benefit from a tax deduction was received by one corporation holding securities in another whose property was expropriated. In such a case the restoration in value of the securities is treated as a recovery and taxed to the corporation receiving the benefit from the loss deduction. This provision applies to taxable years beginning after December 31, 1965.

The Treasury Department has indicated that it has no objection to the House-passed provisions and the Department of Health, Education, and Welfare supports the social security amendment added by your committee.

\* \* \* \* \*



\* \* \* \* \*

#### V. TWO-MONTH EXTENSION OF INITIAL ENROLLMENT PERIOD FOR SUPPLEMENTARY MEDICAL INSURANCE BENEFITS FOR THE AGED

The committee amendment extends through May 31, 1966, the initial enrollment period for coverage under the program of supplementary medical insurance benefits for the aged provided under part B of title XVIII. Under existing law the initial enrollment period terminated on March 31, 1966.

Coverage under the basic hospital insurance portion of medicare—part A—is automatic and does not require that any premium payments be made by the eligible individual. In contrast to this, part B requires that the older person complete an application for supplementary medical insurance coverage which will cost him \$3 monthly.

The medicare program is complex. Intelligent decision on election of part B coverage requires that older people possess full information not only on part B but also on the interrelationship between that plan and any private health insurance policies they might have. Many private health insurance companies—including Blue Cross and Blue Shield plans—have only recently begun to announce the extent to which they will modify their policies so as to supplement or complement medicare benefits. For many of our older citizens these announcements have come too late to permit sufficient time for thoughtful decision as to whether they should enroll in part B. Undoubtedly, many of those who have not enrolled due to insufficient and late information would elect participation during the extended enrollment period provided by this amendment.

Many older people are employed and are provided health insurance through their place of employment. The advent of medicare has required modification of many of these health insurance contracts—modification which, in instances, may still not have been made. Uncertainty here, too, has led to delay in the enrollment in part B of otherwise eligible people.

10      MEDICARE SUPPLEMENTARY INSURANCE APPLICATIONS

Under present law, coverage under part B becomes effective as of July 1, 1966. The extension of time for enrollment in part B will not interfere with that timetable.

The committee is concerned that every eligible older person be given adequate opportunity to participate in the part B segment of medicare. Based upon the reasons outlined above, as well as other valid considerations, it was agreed that the initial enrollment period for part B should be extended through May 31, 1966.

\*      \*      \*      \*      \*

\* \* \* \* \*

\* \* \* \* \*

**SOCIAL SECURITY ACT**

\* \* \* \* \*

**TITLE XVIII—HEALTH INSURANCE FOR THE AGED**

\* \* \* \* \*

**PART B—SUPPLEMENTARY MEDICAL INSURANCE  
BENEFITS FOR THE AGED**

\* \* \* \* \*

**Enrollment Periods**

SEC. 1837. (a) An individual may enroll in the insurance program established by this part only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed in or under this section.

(b)(1) No individual may enroll for the first time under this part more than 3 years after the close of the first enrollment period during which he could have enrolled under this part.

(2) An individual whose enrollment under this part has terminated may not enroll for the second time under this part unless he does so in a general enrollment period (as provided in subsection (e)) which begins within 3 years after the effective date of such termination. No individual may enroll under this part more than twice.

(c) In the case of individuals who first satisfy paragraphs (1) and (2) of section 1836 before ~~January~~ *March* 1, 1966, the initial general enrollment period shall begin on the first day of the second month which begins after the date of enactment of this title and shall end on ~~March~~ *May* 31, 1966. For purposes of this subsection and subsection (d), an individual who satisfies paragraph (2) of section 1836 solely by reason of subparagraph (B) thereof shall be treated as satisfying such paragraph (2) on the first day on which he is (or on filing application would be) entitled to hospital insurance benefits under part A.

(d) In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 on or after ~~January~~ *March* 1, 1966, his initial enrollment period shall begin on the first day of the third month before the month in which he first satisfies such paragraphs and shall end seven months later.

(e) There shall be a general enrollment period, after the period described in subsection (c), during the period beginning on October 1 and ending on December 31 of each odd-numbered year beginning with 1967.

\*                    \*                    \*                    \*                    \*                    \*

## SOCIAL SECURITY AMENDMENTS OF 1965

\*                    \*                    \*                    \*                    \*                    \*

SEC. 102. \* \* \*

(b) If—

(1) an individual was eligible to enroll under section 1837(c) of the Social Security Act before ~~April~~ *June* 1, 1966, but failed to enroll before such date, and

(2) it is shown to the satisfaction of the Secretary of Health, Education, and Welfare that there was good cause for such failure to enroll before ~~April~~ *June* 1, 1966,

such individual may enroll pursuant to this subsection at any time before October 1, 1966. The determination of what constitutes good cause for purposes of the preceding sentence shall be made in accordance with regulations of the Secretary. In the case of any individual who enrolls pursuant to this subsection, the coverage period (within the meaning of section 1838 of the Social Security Act) shall begin on the first day of the 6th month after the month in which he so enrolls.

89TH CONGRESS  
2D SESSION

# H. R. 6319

[Report No. 1091]

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IN THE SENATE OF THE UNITED STATES

OCTOBER 22, 1965

Read twice and referred to the Committee on Finance

APRIL 1, 1966

Reported by Mr. LONG of Louisiana, with amendments

APRIL 1, 1966

Amended and passed; title amended

[Insert the part printed in italic]

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## AN ACT

To amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3

\*        \*        \*        \*        \*



\* \* \* \* \*

11 **SEC. 3. TWO-MONTH EXTENSION OF INITIAL ENROLL-**  
12 **MENT PERIOD FOR SUPPLEMENTARY MEDICAL**  
13 **INSURANCE BENEFITS FOR THE AGED.**

14 *(a) The first sentence of section 1837(c) of the Social*  
15 *Security Act is amended (1) by striking out "January 1,*  
16 *1966" and inserting in lieu thereof "March 1, 1966", and*  
17 *(2) by striking out "March 31, 1966" and inserting in lieu*  
18 *thereof "May 31, 1966".*

19 *(b) Section 1837(d) of the Social Security Act is*  
20 *amended by striking out "January 1, 1966" and inserting*  
21 *in lieu thereof "March 1, 1966".*

22 *(c) Section 102(b) of the Social Security Amendments*

1 *of 1965 is amended by striking out "April 1, 1966" each*  
2 *time it appears and inserting in lieu thereof "June 1, 1966".*

Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, and to amend title XVIII of the Social Security Act to extend the initial enrollment period for supplementary medical insurance benefits."

Passed the House of Representatives October 21, 1965.

Attest:

RALPH R. ROBERTS,

*Clerk.*





89TH CONGRESS  
2D SESSION

# H. R. 6319

[Report No. 1091]

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## AN ACT

To amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries.

---

OCTOBER 22, 1965

Read twice and referred to the Committee on Finance

APRIL 1, 1966

Reported with amendments

APRIL 1, 1966

Amended and passed; title amended

The LEGISLATIVE CLERK. A bill (H.R. 6319) to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries.

The PRESIDING OFFICER. Is there objection to temporarily laying aside the pending business and proceeding to the consideration of the bill just stated by title?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment, on page 17, after line 10, to insert a new section, as follows:

SEC. 3. Two-month extension of initial enrollment period for supplementary medical insurance benefits for the aged.

(a) The first sentence of section 1837(c) of the Social Security Act is amended (1) by striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966", and (2) by striking out "March 31, 1966" and inserting in lieu thereof "May 31, 1966".

(b) Section 1837(d) of the Social Security Act is amended by striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966".

(c) Section 102(b) of the Social Security Amendments of 1965 is amended by striking out "April 1, 1966" each time it appears and inserting in lieu thereof "June 1, 1966".

Mr. LONG of Louisiana. Mr. President, this bill passed the House of Representatives by unanimous vote, and it was reported unanimously by the Committee on Finance.

It provides a revised set of rules for the income tax treatment of any recovery by a corporation of losses which arose from expropriation or confiscation of its properties by a foreign government. Present law provides that the amount recovered must be included in income subject to regular rates of tax if the original deduction resulted in some saving in income tax. Present law takes no account of the fact that the prior deduction may have offset income which was not subject to full tax. For example, the deduction may have offset income which would have been taxed as a capital gain or as income eligible for Western Hemisphere Trade Corporation treatment.

This bill provides that the corporation may elect to have recoveries of foreign expropriation losses treated under the new rules. These new rules provide that upon the recovery of a loss previously deducted, the amount of tax to be paid on account of the recovery is to be measured by the amount of tax saved by deducting the loss taken in the earlier year. This rule takes into account the fact that the earlier deduction of the loss may have reduced foreign tax credits or investment credits which would otherwise have been allowable in a larger amount. Similarly, the new rules take into account the fact that the loss in the prior year may have resulted in a tax benefit only at capital gains rates. In computing tax benefit received on deducting the loss, the rates in the year of the recovery will be used rather than the rates in the year of the loss.

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AMENDMENT OF THE INTERNAL  
REVENUE CODE OF 1954

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of H.R. 6319.

The PRESIDING OFFICER. The bill will be stated by title.

The bill also provides that where the bulk of a recovery of an expropriation loss is in property rather than in money, the taxpayer can have an extended period of time up to 10 years to pay the tax imposed on the recovery, but the delayed payments will bear interest at the rate of 4 percent. Should the taxpayer sell the property received back, the payment of the tax is accelerated.

The bill also provides, even though a corporation does not elect the new rules on recoveries of expropriation losses, that the restoration in value of a stock or security held by a corporation is to be treated as a recovery. As a result this value is to be included in gross income if a deduction was previously taken because the stock became worthless on account of expropriation or seizure by a foreign government of the assets of the company which issued the stock or security. This provision is comparable to a provision in present law which deals only with restorations in value of property subject to the rules governing World War II losses.

This bill is virtually identical to a bill passed by the Senate in 1964. It is acceptable to the administration.

#### EXTENSION OF MEDICARE ENROLLMENT

We amended this bill in committee to provide a 60-day extension of the initial enrollment period during which people can apply for voluntary medical insurance under social security.

Many Senators have sponsored bills along the lines of the committee amendment. Senators SMATHERS, DOUGLAS, RIBICOFF, BENNETT, CURTIS, MORTON, and DIRKSEN of the Finance Committee are among those Members who have introduced bills on this topic.

Subsequent to the committee adoption of this amendment on Wednesday, a request was received from the President urging this precise action. Obviously, the committee had its crystal ball in good shape in guessing that this would be the position of the President.

I think all of us recognize it is desirable to extend the deadline for enrollment so that every eligible person may be given an adequate opportunity to join the voluntary portion of the medicare program.

Many private health insurance companies—including Blue Cross and Blue Shield—have only recently announced changes in their policies for older people. Many employers are just now modifying their health insurance coverage of older workers who are also eligible for medicare. A substantial number of older people have not enrolled in part B because they have not had adequate time to study the effects of these changes in private health insurance coverage. They have not had sufficient time to compare benefits—to see how a private policy meshes or conflicts with medicare benefits.

The committee amendment will give these people ample time to study the advantages of participation in part B of medicare. More time will also be available to inform and clarify questions for those who are uncertain about aspects of the program.

The extension of time provided by the committee amendment will not change

or interfere with the July 1 starting date for payment of benefits under part B. After May 31, the last day of the initial enrollment period under the amendment, Social Security would still have a full month left before benefits were payable in which to set up their records.

I am pleased to say that 86 percent of the aged people over 65 have already signed up for the voluntary portion of the medicare program. We believe that the final figure may go as high as 90 percent or more by giving those who have not thus far taken advantage of the opportunity, additional time to make application for the voluntary portion of medicare.

There was an amendment intended to be proposed by the two Senators from Ohio in an effort to resolve a problem which exists between the welfare agency of that State and the Federal Government.

I ask the Senators from Ohio [Mr. LAUSCHE and Mr. YOUNG], that their amendment not be offered on this bill because there is some urgency in enacting this immediately; they should give us a chance to look at their amendment in committee. I wish to assure them that the committee will look at that amendment as soon as possible so that we can understand their problem and determine the views of the Department of Health, Education, and Welfare so that we can give proper consideration to the problem that needs to be corrected in the State of Ohio.

I wish to assure the two Senators from Ohio that the committee will undertake to give careful and sympathetic consideration to the problem when we have had the opportunity to give it the careful attention it deserves.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. LONG of Missouri. I yield to the Senator from Illinois.

Mr. DIRKSEN. We were confronted with varying estimates as to the number of people who remained unregistered under part B of the medicare program. The estimates varied from a million to 5 million people. We thought that perhaps there should be sufficient time to make sure all of them were registered.

I believe Congressman BYRNES, the minority member of the Ways and Means Committee in the House of Representatives, and ranking minority member of the committee, suggested at the time that the medicare matter was under consideration that perhaps September 1 rather than March 31 should be the deadline date. In the amendment that I suggested, and which was cosponsored by a good many Senators, we did accept the September 1 deadline.

However, I believe it was the opinion of the committee that 2 months was ample; that perhaps there would be maximum registration in 2 months.

Mr. LONG of Louisiana. The Senator from Illinois has been very helpful in this matter. I thank him for his suggestion.

Mr. SMATHERS. Mr. President, I wholeheartedly endorse the remarks just made by the distinguished chairman of the Finance Committee. It has been ob-

vious to many of us that extension of the initial enrollment period for part B of medicare was desirable and equitable. As early as last February I introduced a bill, cosponsored by Senator WILLIAMS of New Jersey, to extend the initial enrollment period. The committee amendment accomplishes my goal; that is, to see to it that every older Floridian—every older American—has ample time and adequate opportunity to participate in this worthwhile program.

Mr. LONG of Louisiana. I thank the distinguished Senator from Florida for his support. I know that he has been very helpful in informing the committee of the need for this legislation.

Mr. KENNEDY of New York. Mr. President, I am glad to support the committee amendment to H.R. 6319. On Tuesday of this week I introduced legislation—S. 3159—to extend the enrollment date until the end of this year. My own judgment was and still is that the 2-month extension which is before us now may not be adequate to reach the 1.5 million senior citizens who have not been heard from at all in connection with part B, and the 1 million who have turned down its coverage, many of them basing their decisions on misunderstanding of the program.

I thought it would be wise to let those who need more convincing see the program in operation after July 1 and let them decide then. But the 2-month extension is a good beginning. If it proves inadequate, we have shown that we can act expeditiously to extend the deadline. My bill and those of other Senators could be passed as well 2 months from now as now. If we need to take such action then, I know we will do so.

Mr. LONG of Louisiana. Mr. President, I appreciate the support of the distinguished Senator from New York.

Mr. COOPER. Mr. President, I want to speak briefly on the proposal before the Senate today—to extend for 2 months, through May 31, 1966, the sign-up period for the supplementary medical insurance program voted by the Congress last year.

The Social Security Administration has estimated that some 19 million people 65 years of age or over are eligible for coverage beginning on July 1 of this year. While some have declined to enroll in the period which ended last night, the President yesterday estimated that 17 million people had already asked for the coverage offered under the law.

I believe it is very likely that the persons—1 million or more—who have not yet responded, or who might not have been reached by the announcements, are very likely individuals who most need the opportunity to have adequate medical insurance coverage under this health care program. I know that social security offices around the country have been working long and hard hours to enroll eligible persons, but it is very possible that an extension of the enrollment period will enable the great majority of the other eligible persons to qualify for this important program from the beginning of its services this summer.

In my own State of Kentucky, there are thousands upon thousands of people

who are eligible for this program, and I would hope that all who want to participate would have the chance to do so from the first date of availability of services. For this reason, and as it has been said that an extension of the deadline would present no administrative problems, I hope the Senate will act immediately to extend for 2 months the deadline for enrollment in the supplementary medical insurance program under social security.

As one who worked and spoke and voted for the new law to provide assurance of health and hospital care under social security, I urge immediate action on extending this enrollment deadline to May 31, 1966.

Mr. LONG of Louisiana. Mr. President, the distinguished Senator from Kentucky has eloquently expressed the need for the committee amendment. I appreciate his support.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An Act to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, and to amend title XVIII of the Social Security Act to extend the initial enrollment period for supplementary medical insurance benefits."

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MESSAGE FROM THE SENATE

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6319. An act to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries;

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TITLE XVIII OF SOCIAL SECURITY ACT AND SOCIAL  
SECURITY AMENDMENTS OF 1965

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APRIL 5, 1966.—Committed to the Committee of the Whole House on the State of  
the Union and ordered to be printed

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Mr. MILLS, from the Committee on Ways and Means, submitted the  
following

R E P O R T

[To accompany H.R. 14224]

The Committee on Ways and Means, to whom was referred the bill (H.R. 14224) to amend part B of title XVIII of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance benefits for the aged, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, after line 6, insert the following:

SEC. 4. In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 of the Social Security Act in March 1966, and who enrolls pursuant to subsection (d) of section 1837 of such Act in May 1966, his coverage period shall, notwithstanding section 1838(a)(2)(D) of such Act, begin on July 1, 1966.

SEC. 5. (a) Subsection (b) of section 1843 of the Social Security Act is amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out all that follows and inserting in lieu thereof (after and below paragraph (2)) the following new sentence:

“Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937.”

(b) Section 1843 of such Act is amended by adding at the end thereof the following new subsection:

“(g) (1) The Secretary shall, at the request of a State made before January 1, 1968, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.

“(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—

“(A) subsections (c) and (d)(2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),

“(B) subsection (d)(3)(B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and

“(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month).”

(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

“(i) In the case of an individual who is enrolled under the program established by this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable, subsections (a), (b), (c), (d), and (e) of this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d).”

#### GENERAL STATEMENT

The vast majority of people eligible to enroll in the supplementary medical insurance program had enrolled by the original March 31, 1966, deadline. Undoubtedly, however, there are some who now would like to enroll although they did not do so earlier, perhaps because of delay in getting information about how their current health insurance plan will be coordinated with medicare or perhaps because of language or other communication difficulty. These people might be able to enroll under the provision in present law (sec. 102(b) of the Social Security Amendments of 1965) which permits enrollment after March 31 and before October 1 if there was good cause for the failure to enroll before that date, but the late enrollees would not have protection until 6 months after their enrollment. Since the period for disseminating information has been relatively short considering the complicated nature of the new program, it has been impossible to assure that every eligible person fully understands his rights and the benefits available under the supplementary medical insurance pro-

gram. It does not seem necessary to delay what may be sorely needed protection for 6 months for these late enrollees.

The number of persons involved is not large enough to present significant administrative problems to the Social Security Administration. The space of 1 month between the deadline of May 31 provided in H.R. 14224 and July 1, when benefit protection is first available, leaves time for administrative preparations, and it avoids substantially enrollment in anticipation of immediate health costs. Accordingly, the actuarial status of the program would not be adversely affected.

Some of those who failed to enroll are public assistance recipients. There are provisions of present law under which a State may buy into the supplementary medical insurance program for recipients who are not on the social security or railroad retirement benefit rolls. A number of States have taken advantage of this provision, and others propose to do so. However, the fact that they may not buy in for social security and railroad retirement beneficiaries (as a result of sec. 1843(b) of the Social Security Act) has resulted in the failure of some of these beneficiaries who are on assistance to be enrolled. Your committee's amendment would permit the States to buy in for such beneficiaries. This change would not adversely affect the actuarial status of the program.

The letter from President Johnson to the Speaker of the House of Representatives and the President of the Senate states the major reasons for the provisions of H.R. 14224 to extend the March 31 deadline in present law:

DEAR MR. PRESIDENT: (DEAR MR. SPEAKER:) I would like to commend, for your early consideration, an amendment to the Social Security Act which would extend from March 31 to May 31 the deadline for enrollment in the medical insurance portion of the social security health insurance program for the aged.

As you know, the Social Security Administration has conducted an energetic campaign to inform all citizens who are already 65 that they must enroll by March 31 to be eligible for medical insurance coverage, which becomes effective July 1.

The results of this effort have been remarkable. More than 86 percent of the 19.1 million older people have already signed up; an additional 5 percent have responded by declining to enroll.

Despite this enormous response, there will be some older citizens who will want to enroll after March 31—because they did not act quickly enough, or because somehow they were not reached with news of this opportunity.

The present law permits enrollment after March 31—if there is good cause for the failure to enroll before the deadline. But under this provision, late enrollees cannot have protection for 6 months after enrollment.

I believe it would be unfortunate to delay protection to these late enrollees—some of whom are those with the greatest need for medical insurance.

Under my proposal, therefore, those enrolling in April and May would be eligible for protection on July 1, when the program goes into effect.

Enrollment of the remaining eligible citizens between March 31 and June 1 would present no administrative problems; there would still be 1 month between the deadline and the first payment of benefits.

I have asked the Secretary of Health, Education, and Welfare to transmit to you the appropriate draft language for the amendment. I hope you will give it prompt and sympathetic consideration.

Sincerely,

LYNDON B. JOHNSON.

#### EXPLANATION OF PROVISIONS

Under present law, persons who attained age 65 before January 1, 1966, must apply for the supplementary medical insurance portion of the program of health insurance for the aged by March 31, 1966 (sec. 1837(c) of the Social Security Act), if they are to be eligible for protection on July 1, 1966, when the program goes into effect. The bill would extend the special deadline on applications for these people to May 31, 1966.

The initial enrollment period for those attaining age 65 in January and February 1966 would end on April 31 and May 31, respectively, under the regular rules governing enrollment periods (sec. 1837(d) of the Social Security Act). The bill amends sections 1837(c) and 1837(d) so that the special deadline (sec. 1837(c)) rather than the regular deadline (sec. 1837(d)) will apply to those attaining age 65 in January and February 1966.

Thus, the May 31 deadline would apply to everyone reaching age 65 in February 1966 or earlier. Persons attaining age 65 before April 1966 and applying before the new deadline would have protection beginning July 1, 1966. Your committee's amendment provides that the coverage of persons attaining age 65 in March 1966 who enroll in May 1966 would begin July 1, 1966, rather than August 1, 1966, as in present law and in the bill as introduced.

Under present law, a person whose initial enrollment period ended on March 31, 1966, but who, for good cause, failed to enroll in the supplementary medical insurance plan by that deadline, may enroll at any time before October 1, 1966; however, his protection will not begin until 6 months after he so enrolls. The bill would make this "good cause" provision (sec. 102(b) of the Social Security Amendments of 1965) applicable to all of those whose initial enrollment period ended on the new special deadline established by the bill—i.e., May 31, 1966—but would retain the October 1, 1966, deadline and the 6-month waiting period before coverage is effective.

Your committee's amendment also provides that a State which enters into an agreement under section 1843, under which public assistance recipients aged 65 and over may be enrolled in supplementary medical insurance, may, at its option, include, simultaneously or subsequently, at enrollees persons who are on the social security or railroad retirement benefit rolls. Present law provides that such persons may enroll only as individuals and may pay premiums only by deductions from their benefits. The date of the enrollment of these persons under the new provision would be determined by the date of the modification of the agreement under which the enrollment occurred. In the event the individual ceased to be a public assistance recipient, he would have the right to terminate his enrollment during the 3-month period after he left the public assistance rolls.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

## SECTIONS 1837, 1840, AND 1843 OF THE SOCIAL SECURITY ACT

## ENROLLMENT PERIODS

SEC. 1837. (a) An individual may enroll in the insurance program established by this part only in such manner and form as may be prescribed by regulations, and only during an enrollment period prescribed in or under this section.

(b) (1) No individual may enroll for the first time under this part more than 3 years after the close of the first enrollment period during which he could have enrolled under this part.

(2) An individual whose enrollment under this part has terminated may not enroll for the second time under this part unless he does so in a general enrollment period (as provided in subsection (e)) which begins within 3 years after the effective date of such termination. No individual may enroll under this part more than twice.

(c) In the case of individuals who first satisfy paragraphs (1) and (2) of section 1836 before **January 1, 1966** *March 1, 1966* the initial general enrollment period shall begin on the first day of the second month which begins after the date of enactment of this title and shall end on **March 31, 1966** *May 31, 1966*. For purposes of this subsection and subsection (d), an individual who satisfies paragraph (2) of section 1836 solely by reason of subparagraph (B) thereof shall be treated as satisfying such paragraph (2) on the first day on which he is (or on filing application would be) entitled to hospital insurance benefits under part A.

(d) In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 on or after **January 1, 1966** *March 1, 1966*, his initial enrollment period shall begin on the first day of the third month before the month in which he first satisfies such paragraphs and shall end seven months later.

(e) There shall be a general enrollment period, after the period described in subsection (c), during the period beginning on October 1 and ending on December 31 of each odd-numbered year beginning with 1967.

\* \* \* \* \*

## PAYMENT OF PREMIUMS

SEC. 1840. (a)(1) In the case of an individual who is entitled to monthly benefits under section 202, his monthly premiums under this part shall (except as provided in subsection (d)) be collected by deducting the amount thereof from the amount of such monthly benefits. Such deduction shall be made in such manner and at such times as the Secretary shall by regulation prescribe.

(2) The Secretary of the Treasury shall, from time to time, transfer from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund to the Federal Supplementary Medical Insurance Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates from benefits under section 202 which are payable from such Trust Fund. Such transfer shall be made on the basis of a certification by the Secretary of Health, Education, and Welfare and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

(b)(1) In the case of an individual who is entitled to receive for a month an annuity or pension under the Railroad Retirement Act of 1937, his monthly premiums under this part shall (except as provided in subsection (d)) be collected by deducting the amount thereof from such annuity or pension. Such deduction shall be made in such manner and at such times as the Secretary shall be regulations prescribe. Such regulations shall be prescribed only after consultation with the Railroad Retirement Board.

(2) The Secretary of the Treasury shall, from time to time, transfer from the Railroad Retirement Account to the Federal Supplementary Medical Insurance Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates. Such transfers shall be made on the basis of a certification by the Railroad Retirement Board and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

(c) In the case of an individual who is entitled both to monthly benefits under section 202 and to an annuity or pension under the Railroad Retirement Act of 1937 at the time he enrolls under this part, subsection (a) shall apply so long as he continues to be entitled both to such benefits and such annuity or pension. In the case of an individual who becomes entitled both to such benefits and such an annuity or pension after he enrolls under this part, subsection (a) shall apply if the first month for which he was entitled to such benefits was the same as or earlier than the first month for which he was entitled to such annuity or pension, and otherwise subsection (b) shall apply.

(d) If an individual to whom subsection (a) or (b) applies estimates that the amount which will be available for deduction under such subsection for any premium payment period will be less than the amount of the monthly premiums for such period, he may (under regulations) pay to the Secretary such portion of the monthly premiums for such period as he desires.

(e)(1) In the case of an individual receiving an annuity under the Civil Service Retirement Act, or other Act administered by the Civil Service Commission providing retirement or survivorship protection, to whom neither subsection (a) nor subsection (b) applies, his monthly premiums under this part (and the monthly premiums of the spouse of such individual under this part if neither subsection (a) nor subsection (b) applies to such spouse and if such individual agrees) shall, upon notice from the Secretary of Health, Education, and Welfare to the Civil Service Commission, be collected by deducting the amount thereof from each installment of such annuity. Such deduction shall be made in such manner and at such times as the Civil Service Commission may determine. The Civil Service Commission shall furnish



such information as the Secretary of Health, Education, and Welfare may reasonably request in order to carry out his functions under this part with respect to individuals to whom this subsection applies.

(2) The Secretary of the Treasury shall, from time to time, but not less often than quarterly, transfer from the Civil Service Retirement and Disability Fund, or the account (if any) applicable in the case of such other Act administered by the Civil Service Commission, to the Federal Supplementary Medical Insurance Trust Fund the aggregate amount deducted under paragraph (1) for the period to which such transfer relates. Such transfer shall be made on the basis of a certification by the Civil Service Commission and shall be appropriately adjusted to the extent that prior transfers were too great or too small.

(f) In the case of an individual who participates in the insurance program established by this part but with respect to whom none of the preceding provisions of this section applies, or with respect to whom subsection (d) applies, the premiums shall be paid to the Secretary at such times, and in such manner, as the Secretary shall by regulations prescribe.

(g) Amounts paid to the Secretary under subsection (d) or (f) shall be deposited in the Treasury to the credit of the Federal Supplementary Medical Insurance Trust Fund.

(h) In the case of an individual who participates in the insurance program established by this part, premiums shall be payable for the period commencing with the first month of his coverage period and ending with the month in which he dies or, if earlier, in which his coverage under such program terminates.

(i) *In the case of an individual who is enrolled under the program established by this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable, subsections (a), (b), (c), (d), and (e) of this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d).*

\* \* \* \* \*

STATE AGREEMENTS FOR COVERAGE OF ELIGIBLE INDIVIDUALS WHO ARE RECEIVING MONEY PAYMENTS UNDER PUBLIC ASSISTANCE PROGRAMS

SEC. 1843. (a) The Secretary shall, at the request of a State made before January 1, 1968, enter into an agreement with such State pursuant to which all eligible individuals in either of the coverage groups described in subsection (b) (as specified in the agreement) will be enrolled under the program established by this part.

(b) An agreement entered into with any State pursuant to subsection (a) may be applicable to either of the following coverage groups:

(1) individuals receiving money payments under the plan of such State approved under title I or title XVI; or

(2) individuals receiving money payments under all of the plans of such State approved under titles I, IV, X, XIV, and XVI[;].

[except that there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II

or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937.】 *Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937.*

(c) For purposes of this section, an individual shall be treated as an eligible individual only if he is an eligible individual (within the meaning of section 1836) on the date an agreement covering him is entered into under subsection (a) or he becomes an eligible individual (within the meaning of such section) at any time after such date and before January 1, 1968; and he shall be treated as receiving money payments described in subsection (b) if he receives such payments for the month in which the agreement is entered into or any month thereafter before January 1968.

(d) In the case of any individual enrolled pursuant to this section—

(1) the monthly premium to be paid by the State shall be determined under section 1839 (without any increase under subsection (c) thereof);

(2) his coverage period shall begin on whichever of the following is the latest:

(A) July 1, 1966;

(B) the first day of the third month following the month in which the State agreement is entered into;

(C) the first day of the first month in which he is both an eligible individual and a member of a coverage group specified in the agreement under this section; or

(D) such date (not later than January 1, 1968) as may be specified in the agreement; and

(3) his coverage period attributable to the agreement with the State under this section shall end on the last day of whichever of the following first occurs:

(A) the month in which he is determined by the State agency to have become ineligible for money payments of a kind specified in the agreement, or

(B) the month preceding the first month for which he becomes entitled to monthly benefits under title II or to an annuity or pension under the Railroad Retirement Act of 1937.

(e) Any individual whose coverage period attributable to the State agreement is terminated pursuant to subsection (d)(3) shall be deemed for purposes of this part (including the continuation of his coverage period under this part) to have enrolled under section 1837 in the initial general enrollment period provided by section 1837(c).

(f) With respect to eligible individuals receiving money payments under the plan of a State approved under title I, IV, X, XIV, or XVI, if the agreement entered into under this section so provides, the term 'carrier' as defined in section 1842(f) also includes the State agency, specified in such agreement, which administers or supervises the administration of the plan of such State approved under title I, XVI, or XIX. The agreement shall also contain such provisions as will facilitate the financial transactions of the State and the carrier with respect to deductions, coinsurance, and otherwise, and as will lead to economy and efficiency of operation, with respect to individuals

receiving money payments under plans of the State approved under titles I, IV, X, XIV, and XVI.

*(g)(1) The Secretary shall, at the request of a State made before January 1, 1968, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.*

*(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—*

*(A) subsections (c) and (d)(2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),*

*(B) subsection (d)(3)(B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and*

*(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month).*

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#### SECTION 102(b) OF THE SOCIAL SECURITY AMENDMENTS OF 1965

(b) If—

(1) an individual was eligible to enroll under section 1837(c) of the Social Security Act before **[April 1, 1966]** *June 1, 1966*, but failed to enroll before such date, and

(2) it is shown to the satisfaction of the Secretary of Health, Education, and Welfare that there was good cause for such failure to enroll before **[April 1, 1966]** *June 1, 1966*

such individual may enroll pursuant to this subsection at any time before October 1, 1966. The determination of what constitutes good cause for purposes of the preceding sentence shall be made in accordance with regulations of the Secretary. In the case of any individual who enrolls pursuant to this subsection, the coverage period (within the meaning of section 1838 of the Social Security Act) shall begin on the first day of the 6th month after the month in which he so enrolls.



# H. R. 14224

[Report No. 1419]

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 31, 1966

Mr. MILLS introduced the following bill; which was referred to the Committee on Ways and Means

APRIL 5, 1966

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Insert the part printed in italic]

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## A BILL

To amend part B of title XVIII of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance benefits for the aged.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the first sentence of section 1837 (c) of the Social  
4       Security Act is amended by (1) striking out "January 1,  
5       1966" and inserting in lieu thereof "March 1, 1966"; and  
6       (2) striking out "March 31, 1966" and inserting in lieu  
7       thereof "May 31, 1966".

8       SEC. 2. Section 1837 (d) of such Act is amended by

1 striking out "January 1, 1966" and inserting in lieu thereof  
2 "March 1, 1966".

3 SEC. 3. Section 102 (b) of the Social Security Amend-  
4 ments of 1965 is amended by striking out "April 1, 1966"  
5 each time it appears therein, and inserting in lieu thereof  
6 "June 1, 1966".

7 SEC. 4. *In the case of an individual who first satisfies*  
8 *paragraphs (1) and (2) of section 1836 of the Social Secu-*  
9 *rity Act in March 1966, and who enrolls pursuant to subsec-*  
10 *tion (d) of section 1837 of such Act in May 1966, his cover-*  
11 *age period shall, notwithstanding section 1838(a)(2)(D) of*  
12 *such Act, begin on July 1, 1966.*

13 SEC. 5. (a) *Subsection (b) of section 1843 of the Social*  
14 *Security Act is amended by striking out the semicolon at the*  
15 *end of paragraph (2) and inserting in lieu thereof a period,*  
16 *and by striking out all that follows and inserting in lieu*  
17 *thereof (after and below paragraph (2)) the following new*  
18 *sentence:*

19 *"Except as provided in subsection (g), there shall be excluded*  
20 *from any coverage group any individual who is entitled to*  
21 *monthly insurance benefits under title II or who is entitled*  
22 *to receive an annuity or pension under the Railroad Retire-*  
23 *ment Act of 1937."*

1       (b) Section 1843 of such Act is amended by adding at  
2 the end thereof the following new subsection:

3       “(g) (1) The Secretary shall, at the request of a State  
4 made before January 1, 1968, enter into a modification of  
5 an agreement entered into with such State pursuant to sub-  
6 section (a) under which the second sentence of subsection  
7 (b) shall not apply with respect to such agreement.

8       “(2) In the case of any individual who would (but for  
9 this subsection) be excluded from the applicable coverage  
10 group described in subsection (b) by the second sentence of  
11 such subsection—

12           “(A) subsections (c) and (d) (2) shall be applied  
13 as if such subsections referred to the modification under  
14 this subsection (in lieu of the agreement under subsec-  
15 tion (a)),

16           “(B) subsection (d) (3) (B) shall not apply so long  
17 as there is in effect a modification entered into by the  
18 State under this subsection, and

19           “(C) notwithstanding subsection (e), in the case of  
20 any termination described in such subsection, such in-  
21 dividual may terminate his enrollment under this part  
22 by the filing of a notice, before the close of the third  
23 month which begins after the date of such termination,  
24 that he no longer wishes to participate in the insurance  
25 program established by this part (and in such a case, the

1        *termination of his coverage period under this part shall*  
2        *take effect as of the close of such third month)."*

3        *(c) Section 1840 of such Act is amended by adding at*  
4        *the end thereof the following new subsection:*

5        *"(i) In the case of an individual who is enrolled under*  
6        *the program established by this part as a member of a*  
7        *coverage group to which an agreement with a State entered*  
8        *into pursuant to section 1843 is applicable, subsections (a),*  
9        *(b), (c), (d), and (e) of this section shall not apply to his*  
10       *monthly premium for any month in his coverage period*  
11       *which is determined under section 1843(d)."*





Union Calendar No. 624

89<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 14224**

[Report No. 1419]

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# **A BILL**

To amend part B of title XVIII of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance benefits for the aged.

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By Mr. MILLS

MARCH 31, 1966

Referred to the Committee on Ways and Means

APRIL 5, 1966

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

## H.R. 14224

A bill to amend part B of title XVIII of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance benefits for the aged

this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d)."

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of section 1837(c) of the Social Security Act is amended by (1) striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966"; and (2) striking out "March 31, 1966" and inserting in lieu thereof "May 31, 1966".

SEC. 2. Section 1837(d) of such Act is amended by striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966".

SEC. 3. Section 102(b) of the Social Security Amendments of 1965 is amended by striking out "April 1, 1966" each time it appears therein, and inserting in lieu thereof "June 1, 1966".

SEC. 4. In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 of the Social Security Act in March 1966, and who enrolls pursuant to subsection (d) of section 1837 of such Act in May 1966, his coverage period shall, notwithstanding section 1838(a)(2)(D) of such Act, begin on July 1, 1966.

SEC. 5. (a) Subsection (b) of section 1843 of the Social Security Act is amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out all that follows and inserting in lieu thereof (after and below paragraph (2)) the following new sentence:

"Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937."

(b) Section 1843 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, at the request of a State made before January 1, 1968, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.

"(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—

"(A) subsections (c) and (d)(2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),

"(B) subsection (d)(3)(B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and

"(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month)."

(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

"(1) In the case of an individual who is enrolled under the program established by this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable, subsections (a), (b), (c), (d), and (e) of

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SOCIAL SECURITY ACT AMENDMENTS

(Mr. MILLS asked and was given permission to address the House for 1 minute.)

Mr. MILLS. Mr. Speaker, tomorrow, during the course of the House session, it will be my purpose to seek recognition to call up by unanimous consent H.R. 14224, a bill to amend part B of title 18 of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance for the aged.

The Committee on Ways and Means in executive session reported the bill this morning unanimously, after having adopted an amendment making two changes in the text of the bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I will be glad to yield to the gentleman.

Mr. BYRNES of Wisconsin. Mr. Speaker, I wonder if the language of the amendment making the changes could be put in the RECORD for this evening so that the membership will have notice of the language involved in the amendment, or really of the bill reported by the committee today?

Mr. MILLS. I would think it will be better to include the bill and the amendment approved by the committee. If there is no objection, Mr. Speaker, I do ask unanimous consent to so include the bill and the amendment at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.



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SOCIAL SECURITY ACT AMENDMENTS OF 1966

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 14224) to amend part B of title XVIII of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance benefits for the aged, which was unanimously reported by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. RYAN. Mr. Speaker, reserving the right to object, and I certainly shall not object, I should simply like to observe that the distinguished chairman of the Committee on Ways and Means should be commended for bringing this bill to the floor today to provide for this extension of the enrollment period for supplementary medical insurance benefits through May 31. However, I hope that in the near future the Social Security Amendments of 1965 can be amended so that there will be no deadline and all citizens 65 years of age and over will

be eligible for the supplemental program without the interposition of any kind of deadline or other restriction limiting the opportunity for enrollment. The basic purpose of medicare was to cover elderly people over 65 years of age. Those most in need are also most likely for various reasons to be unaware of the legalities which set up enrollment periods and other limitations. Let us make it possible for them to have medical attention whenever it is needed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. ROGERS of Colorado. Mr. Speaker, reserving the right to object, there has been a great deal of inquiry about the ability of those who have attained age 65 to prove their age.

Is there any method whereby, if this extension is granted we can prevail on the Social Security Administration to relieve the stiff requirements of either having a birth certificate, where none are available, and not be compelled to spend extra money searching census records in order to confirm what is their actual age?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, there is no change made in this bill in this respect. The basic law does require that an individual prove his age to the satisfaction of the Social Security Administration. We have discussed that at different times within the Committee on Ways and Means, and I might say that I have been unable to make suggestions and recommendations to them myself for changes in their procedures on this particular matter, which serve as a better general rule.

I find, in individual cases, that I quarrel with them about the degree of proof that is needed, but we have not legislated in this respect in this bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BYRNES of Wisconsin. Mr. Speaker, I make this parliamentary inquiry only that the Members might understand what the opportunities might be for discussion. I make the parliamentary inquiry to the effect that if the request of the gentleman from Arkansas is agreed to that the bill can be considered under unanimous-consent request—do I state it correctly that there will be the opportunity for striking out the last word and having an opportunity to speak?

The SPEAKER. The bill is to be considered in the House as in the Committee of the Whole, and motions to strike out the last word will be in order.

Mr. BYRNES of Wisconsin. Will the gentleman make the request that the bill be considered in the House as in the Committee of the Whole?

The SPEAKER. The Chair will state that the unanimous-consent request will automatically carry that privilege.

Mr. BYRNES of Wisconsin. I thank the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 14224

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the first sentence of section 1837(c) of the Social Security Act is amended by (1) striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966"; and (2) striking out "March 31, 1966" and inserting in lieu thereof "May 31, 1966".

Sec. 2. Section 1837(d) of such Act is amended by striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966".

Sec. 3. Section 102(b) of the Social Security Amendments of 1965 is amended by striking out "April 1, 1966" each time it appears therein, and inserting in lieu thereof "June 1, 1966".

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 2, after line 6, insert the following:

"Sec. 4. In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 of the Social Security Act in March 1966, and who enrolls pursuant to subsection (d) of section 1837 of such Act in May 1966, his coverage period shall, notwithstanding section 1838(a)(2)(D) of such Act, begin on July 1, 1966.

"Sec. 5. (a) Subsection (b) of section 1843 of the Social Security Act is amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out all that follows and inserting in lieu thereof (after and below paragraph (2)) the following new sentence:

"Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937."

"(b) Section 1843 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, at the request of a State made before January 1, 1968, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.

"(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—

"(A) subsections (c) and (d)(2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),

"(B) subsection (d)(3)(B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and

"(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month)."

"(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In the case of an individual who is enrolled under the program established by this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable,

subsections (a), (b), (c), (d), and (e) of this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d)."

Mr. MILLS (during reading of amendment). Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendment, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I believe I can explain the dual purpose of this bill that has been reported unanimously by the Committee on Ways and Means, in just a very brief period of time.

Mr. Speaker, as Members of the House will recall, under the medical care provisions of the Social Security Amendments of 1965 we established an enrollment deadline for plan B, the voluntary supplementary medical plan, of March 31, 1966, for persons who attained age 65 before January 1, 1966.

Mr. Speaker, the Social Security Administration has, in my opinion, done a remarkably fine job of enrolling elderly citizens in the program, since we are advised that as of the closing date, which is March 31, approximately 16.8 million individuals, or 88 percent of the total age 65 and over, had been enrolled.

However, Mr. Speaker, it was clear that there would still be some who, for one reason or another, had not enrolled in the program by the deadline of March 31 just passed. In the light of this, we were asked to extend from March 31 to May 31 the closing date for present enrollment.

Mr. Speaker, the bill would extend the deadline, as requested, to May 31, 1966, in order to give this group of elderly individuals a further opportunity to enroll and be eligible for benefits beginning July 1, 1966.

Mr. Speaker, the initial enrollment period for those who attain age 65 in January and February 1966, would end on April 31, and May 31, respectively, under the regular rules governing enrollment periods. The bill amends sections 1837(c) and 1837(d) of the Social Security Act so that the special deadline—section 1837(c)—rather than the regular deadline—section 1837(d)—will apply to those attaining age 65 in January and February 1966.

Thus, Mr. Speaker, the May 31 deadline will apply to everyone reaching 65 in February of 1966 or earlier. Persons attaining age 65 before April 1966, and applying before the new deadline, would have protection beginning July 1, 1966. The amendment to the bill provides that the coverage of persons attaining age 65 in March 1966, who enroll in May 1966, would begin on July 1, 1966, rather than August 1, 1966, as is present law, and in the bill as initially introduced.

Under present law, a person whose initial enrollment period ended on March 31, 1966, but who, for good cause, failed to enroll in the supplementary medical insurance plan by that deadline, may enroll at any time before October 1, 1966;

however his protection will not begin until 6 months after he so enrolls.

The bill would also make the good cause provision of the Social Security Amendments of 1965 applicable to all of those whose initial enrollment period ended on the new special deadline established by the bill; namely, May 31, 1966—but would retain the October 1, 1966, deadline and the 6-month waiting period before coverage is effective.

Mr. Speaker, the second purpose of the bill is to provide that a State which enters into an agreement under section 1843, under which public assistance recipients aged 65 and over may be enrolled in supplementary medical insurance, may, at its option, include, simultaneously or subsequently, as enrollees persons who are on the social security or railroad retirement benefit rolls, and are also receiving under the public assistance program of the State.

The present law provides that such persons may enroll only as individuals and may pay premiums only by deduction from their benefits.

The date of the enrollment of these persons under the new provision would be determined by the date of the modification of the agreement between the State and the department under which the enrollment occurred.

In the event the individual ceased to be a public assistance recipient still receiving social security or railroad retirement benefits, he would have the right to terminate his enrollment during the 3-month period after he left the public assistance rolls.

Mr. Speaker, as to the first part of the bill the committee thought that we should adjust the situation so as to eliminate a very apparent inequity in the bill as initially introduced and also contained in the amendment adopted by the Senate recently to the House-passed bill.

The other part of the bill is also meritorious. Some of those who failed to enroll are public assistance recipients. There are provisions of present law under which a State may buy into the supplementary medical insurance program for recipients who are not on the social security or railroad retirement benefit rolls. A number of States have taken advantage of this provision, and others propose to do so. However, the fact that they may not buy in for social security and railroad retirement beneficiaries—as a result of section 1843(b) of the Social Security Act—has resulted in the failure of some of these beneficiaries who are on assistance to be enrolled. Your committee's amendment would permit the States to buy in for such beneficiaries. This change would not adversely affect the actuarial status of the program.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Arkansas may proceed for 5 additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MILLS. Mr. Speaker, I will not take up any more time. I urge approval

by the House of the committee amendments and also of the bill, as amended.

I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. A question was raised about the opportunity people have on reaching 65 years of age to sign up for this voluntary program. That question was raised earlier and I think it might be well for the Members to be advised of the opportunities that exist today under present law for people who become 65 years of age to enroll in the program. There is no magic date of May 31 or March 31 as far as those people are concerned. I think the gentleman might explain that.

Mr. MILLS. The gentleman from Wisconsin raises a good point.

If I may explain, I am sure the Members will recall as I was endeavoring to state, that initially in the bill we passed, we were providing for a date of March 31 as a final date for the enrollment of those who became 65 years of age before January 1, 1966. This deadline did not apply to individuals becoming 65 years of age after the beginning of 1966; each individual in this group would have his own initial enrollment period of 7 months, beginning 3 months before the month in which he reaches 65 and ending 3 months later. Under the committee's bill, individuals becoming 65 years of age in January and February of this year are grouped with those becoming 65 years of age before this year, leaving all those who become 65 years of age in or after March of this year with the same 7-month enrollment period they have under existing law. The practical result of the committee's bill is to provide that any individual who both becomes 65 years of age and enrolls in the program before May 31 will have coverage beginning July 1. Every individual becoming 65 years of age in the future would continue to have the 7-month initial enrollment period which he has under existing law.

I appreciate the suggestion of my friend from Wisconsin that we explain that point.

Mr. BYRNES of Wisconsin. Mr. Speaker, I move to strike out the last word.

The SPEAKER. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. BYRNES of Wisconsin. Mr. Speaker, first, I wish to say that the legislation before us has my full support and the full support of all minority members on the Ways and Means Committee. As the chairman pointed out, it was voted out of the committee by a unanimous vote.

I think that the bill before us is a considerable improvement over the amendment that was passed by the Senate dealing generally with this subject. In the first place, it does remove an anomaly that would have existed so far as some people who are presently 65 years of age is concerned in their treatment and in their ability to sign up.

Also it removes a very distinct problem that has been facing some of the States in conjunction with the coverage of their public assistance people under the insurance coverage of part B of the

program. We have a particular problem right here in the District of Columbia. There were some news stories on it recently. The action taken by the committee will go a long way toward correcting that problem.

Most important, however, the bill extends the period for enrollment in the voluntary medical insurance program which expired on March 31.

I should point out that I think there will be other problems that will develop as a result possibly of oversight or of experience in the operation of this program. We will have to meet those problems. Other problems have come to our attention already. But the feeling is that this bill takes care of the most urgent problem, and that attention to the other problems can be postponed to be considered at a propitious time; without delaying these particular amendments.

There is one thing I would like to say about the voluntary plan in so-called part B. I want to commend the Social Security Administration for the efforts made to enroll all those who are eligible by March 31. The extension of the enrollment period should not be taken as any reflection on the effort which has been made to inform our elderly citizens of this program and to enroll them so that they would have its advantages.

There are approximately 19 million persons over age 65, who are eligible for enrollment in the voluntary medical insurance program. More than 86 percent of them had enrolled by March 31, when the enrollment period expired. This is particularly gratifying to me, because I was always convinced that a voluntary program would meet the need of our elderly people both with respect to hospitalization and with respect to medical services. The enrollment to-date amply substantiates my belief.

I think the fact that more than 86 percent have signed up is an indication of two things: First, the Social Security Administration has done a commendable job in getting the message to our elderly people; secondly, this tremendous response removes any doubts as to whether a voluntary program would be acceptable to the American people. The response in this instance shows that we do not always have to act with compulsion, that we can accomplish the same result on a voluntary basis.

So I think two things have resulted from the action in the last few months with regard to the signing-up of these people under the voluntary plan: First, it shows the message can be gotten to the people and information can be gotten to them; secondly it also demonstrates that when they have the facts, they will balance them against their own needs and respond accordingly.

This bill, of course, acknowledges the fact that there are some people who have not necessarily been reached. There are some people who may have been reached but have not had the time that is required for them to analyze whether this program fits their needs and whether it is something that they want to participate in. So I think the extension at this time is very desirable.

But the fundamental point I think has been proven here that we can have a voluntary approach to some of these problems rather than a compulsory approach.

Mr. CURTIS. Mr. Speaker, I move to strike the last word.

The SPEAKER. The gentleman from Missouri is recognized for 5 minutes.

Mr. CURTIS. Mr. Speaker, I mainly want to discuss the procedure here and say that I am quite pleased that we are handling this bill in this fashion, although the procedure itself is a little unusual. If handled in the other way, the House would have been confronted with a nongermane amendment to a bill that the House sent over where this action was taken. The House would have been confronted with the situation of trying to consider this new subject matter without the Ways and Means Committee having an opportunity of going into it fully.

I am most pleased that the chairman of the Ways and Means Committee the gentleman from Arkansas [Mr. MILLS], has had our committee consider this matter. We had testimony. There is a written report accompanying the bill that any Member can obtain. The House is proceeding under an open rule—I have always thought that we could do so in these matters—to consider this affirmatively, based upon proper committee study and full debate on the floor of the House.

The bill itself, as it has been described, is of course not of lasting consequence, in the sense that it is meeting a temporary situation. It is something that needs immediate action. It demonstrates again that the Congress, when it has to move fast on matters because of a real reason to do so, can do so in the context of adequate study and adequate debate.

Finally, I would like to make one observation in regard to the substantive point that the gentleman from New York was making, as to why this is not just opened up so that anybody 65 or over can sign up at any time. That is in line, too, with an editorial I read in the Washington Post, which said the same thing. I would suggest that the gentleman from New York discuss the matter with the actuarial authorities in the Social Security Administration. This applies also to the editors of the Washington Post.

There is a problem of actuarial soundness of the system. If there is not a requirement that people make an election to come in under this program, of course, there would be no reason to pay money every month for the coverage which one receives. One would simply wait until there was an illness and then seek to be covered.

The point of the discipline here is to have people who want the coverage pay their monthly premium along with every one else, and not permit them to wait until they become ill and know that they have the benefits of the program. Such a procedure would make it so costly that the program could not possibly operate.

Anyone can examine the provisions of exercising an option to be covered and find the program is quite liberal. A person reaching 65 years of age has,

in effect, 7 months in which to make up his mind as to whether to come in, the month he becomes 65 and 3 months before or 3 months after this month. Even if he declines at that time, there will be, under the permanent law, an opportunity in 2 years for an opening up, under which people who have missed the chance before may then choose to be covered.

But the reason it is not automatically opened up is so that everyone will bear his fair share of the premium cost and not just wait for an illness to occur. To do otherwise would make benefits under the program exceed the premium revenues.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the gentleman from Missouri is well-advised to make this statement as to the enrollment provisions, because of the confusion that may exist. The gentleman would agree with me, would he not, that the provisions of the present law permit anyone, when he becomes 65 years of age at any time in the future—3 months before the month he becomes 65, or 3 months after—to enroll for the plan B program.

Mr. CURTIS. That is correct.

Mr. MILLS. He does not have to wait at all?

Mr. CURTIS. That is right. It gives him 7 months, actually. The reason for the temporary extension provided in the bill before us is that it is a new program, and it does take time to get word around. I hope the Congress will follow these recommendations. This is an excellent bill.

Mr. BROYHILL of Virginia. Mr. Speaker, I move to strike the requisite number of words.

(Mr. BROYHILL of Virginia asked and was given permission to revise and extend his remarks.)

Mr. BROYHILL of Virginia. Mr. Speaker, while we are considering a measure to extend the time during which our citizens 65 and over can elect to avail themselves of the benefits provided by the supplementary medical insurance plan, it seems particularly appropriate to again emphasize that Federal employees are unfairly deprived of the benefits enjoyed by other citizens under present medical care legislation.

The situation is complex but I want to briefly outline it because I know the Congress will want to correct this unwarranted discrimination against Federal employees. The act discriminates against Federal employees in several ways:

First. The law generally provides that all citizens who are 65 or over before 1968 are automatically covered for the basic medicare plan covering hospital and related expenses, even though they have never earned any quarters of social security coverage. Federal employees were excluded from this "transitional insured coverage" unless they retired before February 15, 1965, without coverage under the Federal Employees Health Benefits Act of 1959.

Second. Federal employees are eligi-

ble to participate in the voluntary supplemental plan, covering doctors' services and certain incidental medical expenses, for a premium of \$3 per month matched by a \$3 governmental contribution from general revenues. However, since the basic supplemental plan does not cover hospitalization and related expenses, the employee will find it necessary to retain his coverage under the Federal Employees Health Benefit Act. Since the policies issued pursuant to the Federal Employees Health Benefit Act also encompass the type of benefits paid by the voluntary supplemental plan, and generally preclude payment of duplicate benefits, the voluntary supplemental plan will provide far fewer benefits to Federal employees than to the population in general, and Federal employees may well conclude that it is impractical for them to participate.

Third. Approximately 50 percent of the Federal employees now retiring have acquired, through defending our country in the armed services or by working in other covered employment before or after becoming a Federal employee, the requisite quarters of social security coverage to entitle them to medicare benefits on the basis of their own earnings record. Federal employees in this category can elect to participate in the voluntary supplemental which, when added to the basic medicare plan, will provide coverage approaching in scope the high option plans issued pursuant to the Federal Employees Health Benefit Act. Federal employees making such an election may well drop their coverage under the Federal Employees Health Benefit Act, and the Federal Government will be relieved of its obligation as an employer to provide hospital benefits to its retired employee. When private industry is relieved by governmental programs from providing benefits that employees have earned through their long years of service, the general practice is for the companies concerned to increase benefits in other areas. This only recognizes the equities involved, and the adjustments that the employer, in good conscience, must make to changed circumstances.

Mr. Speaker, these three inequities exist because the Federal Government's role as an employer has been confused with its role as custodian of a governmental program of social insurance. As an employer, the Federal Government contributes to a health insurance plan on behalf of its employees. By exercising its constitutionally delegated power to impose taxes to provide for the general welfare, the Federal Government has also undertaken to provide health benefits to its citizens.

Federal employees, like the employees of private industry, are both employees and citizens. The benefits the Government provides to its citizens should not be reduced, in the case of a Federal employee, by the amount he has earned as an employee.

Despite diligent efforts on my part throughout the last year to secure legislation that would at least partially remove this discrimination against the Federal employees, the situation still ex-



ists. I have introduced a bill (H.R. 7267) that would take a step in the right direction by providing that the \$3 per month that the Federal Government will pay for individuals participating in the voluntary supplemental plan, be paid toward the premiums charged Federal employees for coverage under plans issued pursuant to the Federal Employees Health Benefit Act.

Since most Federal employees will be required to retain their coverage under the Federal Employees Health Benefit Act, the Federal Government should pay the \$3 a month on their behalf not toward the voluntary supplemental plan which will merely provide duplicate coverage to the employee, but toward his plan under the Federal Employees Health Benefit Act. If this needed reform is not enacted, Federal employees will be paying taxes to support this program but will be deprived of its benefits.

Mr. Speaker, the President signed the medicare provision into law last July 30, nearly 9 months ago. One year has elapsed since I introduced my bill to provide more equitable treatment for Federal employees. Despite the gross inequity involved, the administration has not even provided the Ways and Means Committee with a report on my proposal to take this first step in removing the discrimination against the Federal employees.

The administration was responsible for these discriminatory provisions being included in the program. Although Congress is inundated with legislative recommendations, removal of discrimination against Federal employees is apparently last on the administration's list of legislative priorities. If only a portion of the time consumed in unfairly misapplying the wage-price guidelines to Federal employees had been used to report on my bill, we would have taken an important step in achieving fairness last year. While the Congress is considering extending a program providing benefits to all our citizens, I again call upon the administration and the Congress to remove the stigma of second-class citizenship that unfairly deprive our Federal employees of the benefits of this program.

Mr. HALL. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, I shall not take the 5 minutes allotted me. I rise only to state that I am in support today of this bill before the House, H.R. 14224. I approve of the manner in which it has been brought before the House, and especially appreciate the additional matters that have been administratively taken care of in this bill.

Mr. Speaker, I rise primarily in order to answer the question of the gentleman from Colorado [Mr. ROGERS] in connection with the question of a declaration of time of birth. This happened during the discussion and under a reservation, as to the manner in which this bill was brought to the floor of the House today. Late in October, after we adjourned sine die the 1st session of the 89th Congress, it immediately became apparent that the Commissioner of Social Security was in fact requiring birth certificates which

cost the social security registrants approximately \$4. This was not only contrary to our legislative intent when we passed Public Law 89-97, but a great delay inured to the beneficiaries as a result of this. There was a delay in their being able to complete their assignment. At that time we wrote to Commissioner Ball of the Social Security Administration. The day our constructive message was received this was at first denied, but within 4 hours on the same afternoon there was a press conference held in which it was admitted by the Commissioner in person.

Mr. Speaker, I think this is a valuable point of information. Otherwise I would not take the time of the House to state this.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. HALL. I will be glad to yield to the gentleman.

Mr. CURTIS. Mr. Speaker, I want to emphasize this is a point that affects people in the constituencies of every one of us. I think it should be listened to.

Mr. HALL. I thank the gentleman, my colleague from Missouri. After the original notification and the denial, which is a matter of record, within 4 hours the Commissioner held a press conference and said: First, they would no longer require from the Bureau of the Census the actual birth certificate; second, they would in addition accept corroborative evidence such as family record information and such as local "vamped in" and presumptive certificates of birth in the various States that had been issued on proper proof satisfactory to our various States; third, they would go ahead and sign these people up and assume the obligation themselves in the Social Security Administration of ultimate proof; and fourth, they would do this at the expense of the Social Security Administration with the funds provided by Congress and not at the expense of the individual registrant.

Now, Mr. Speaker, I would be less than frank if I did not say that since this time there have been some additional complaints at the various offices signing up the social security registrants under any part of Public Law 89-97, but generally it has improved and I have been assured by Commissioner Ball of the Social Security Administration in repeated communications that this, in fact, is the policy and it has been disseminated to all of the social security district offices. I think we can now advise our people on this basis. I am happy to make this legislative record. Therefore, Mr. Speaker, I repeat I am in favor of this bill pending before us today.

Mr. Speaker, I yield back the balance of my time.

Mr. WIDNALL. Mr. Speaker, on February 10 of this year, I introduced the first House bill to extend the March 31, 1966, deadline for enrollment in the supplementary medical insurance program under the medicare law. Since that time, more than two dozen Members of both the House and Senate indicated a similar interest in the extension by introducing legislation. The bill we are acting upon today is a logical conclusion to

this past congressional effort to meet an obvious need. I want to extend my personal compliments to the gentleman from Arkansas [Mr. MILLS] and his colleagues on the House Ways and Means Committee for proving once again that Congress has the will and the ability to respond quickly where such action is necessary.

The extension of the enrollment date to May 31 should provide adequate time for the nearly 1 million eligibles, who have declined to join, to review the program once again, and time for the nearly 2 million eligibles who have not been contacted to receive the necessary information upon which to make an informed judgment. I would certainly hope that as many as possible would take advantage of this opportunity to gain supplementary medical insurance coverage at such little individual cost. The number still undecided or lacking in information, however, should not obscure the fact that over 16 million have applied for coverage. Since the supplementary medical insurance program is basically a minority proposal, this acceptance of the program indicates once again that the minority can and often does contribute to constructive legislation.

Mr. DONOHUE. Mr. Speaker, as one who introduced a basically similar bill, H.R. 14043, I most earnestly hope that this House will unanimously agree to act, and will favorably act, on this measure before us, H.R. 14224, to amend part B of title 18 of the Social Security Act so as to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance for the aged and to make other and related changes in existing regulations.

Mr. Speaker, for varied and substantial reasons it is now quite obvious, as I indicated, last week, such development would occur, some several millions of our older citizens have not yet enrolled under the new supplementary medical insurance plan, through no fault of their own.

Mr. Speaker, this measure before us is designed to make absolutely certain that every one of our older citizens is given a fair chance to make a calm and considered decision to become eligible under this obviously advantageous, voluntary medical insurance program and to do so without any penalty of suspended insurance protection, which they could ill afford and which violates our normal concepts of objective justice, more particularly as it concerns our older citizens.

The distinguished committee chairman has already and thoroughly explained the meaning of the provisions of this bill and I shall not subject you to unnecessary repetition.

Mr. Speaker, this is a just and humane legislative proposal on behalf of our senior citizens who have certainly contributed immeasurably to the growth and progress of this Nation and I urge my colleagues here to approve it unanimously, without further delay.

Mr. FINO. I rise in support of H.R. 14224. It is a very simple and very basic response to a very simple and basic need.

It has become obvious in the last few weeks that many of our senior citizens were not going to be able to get in under the wire as regards the medicare program.

I am proud of the medicare program. I am proud of having voted for it. I want to see it do as much good as it can—I want to see it reach as many eligible persons as it can. For that reason, I am completely in favor of the extension of the medicare filing deadline, and I urge support of H.R. 14224.

Mr. GRIFFIN. Mr. Speaker, I support H.R. 14224, the bill to extend through May 31, 1966, the initial period for enrolling under the program of supplementary medical insurance for the aged.

Many private health insurance companies have recently announced changes in their policies for older people. Many employers are modifying their health insurance coverage of older workers who are eligible for medicare. For these reasons a number of older people have not enrolled in the voluntary medical insurance program because they have not had adequate time to study the effects of these changes in private health insurance coverage.

In my own State of Michigan, there are thousands of people who are eligible for this program, and I would hope that all who want to participate would have the chance to do so from the first date of availability of service. For this reason, I hope the House will immediately act to extend the enrollment period for 2 months.

Mr. CULVER. Mr. Speaker, I am pleased to join my colleagues in the House today in supporting the extension of the initial enrollment period for supplementary medical insurance benefits for the aged.

We have experienced an increasing awareness throughout the Nation of the problems faced by Americans as they approach or pass retirement age. And with this awareness has come a heightened sense of responsibility—a growing desire to help this group to which we are so deeply indebted for our present social and economic well-being.

Unquestionably, the most significant step in this area was the enactment of far-reaching amendments to the Social Security Act during the last session of Congress, including the comprehensive program of health and hospitalization insurance known as medicare.

Earlier this year, I held a series of senior citizens conferences in each of the 11 counties of the Second District of Iowa, which nearly 1,000 people attended. In the course of these meetings, it became apparent that an alarming amount of confusion and misinformation regarding the medicare program still existed—confusion as to eligibility, coverage, benefits, registration, and its effect on other insurance policies now held, or other forms of public assistance now being received.

This situation was particularly disturbing to me because in Iowa a larger percentage of our population—12.4 percent—is over the age of 65 than in any

other State, and this includes 52,000 residents of the Second District alone.

The energetic efforts of the Social Security Administration, other Government offices, private insurance companies, and interested parties to inform eligible citizens of enrollment procedures have been most remarkable. The response to this campaign has been enormous.

However, there are still some older citizens who have not yet signed up, because they did not act quickly enough or because they were not reached with the news of this opportunity in sufficient time to meet the original March 31 deadline. It would be unfortunate if these people were unnecessarily denied benefits in the early stages of the program.

I am confident that our action today to extend the enrollment period through May 31 will permit the largest number of our older citizens to benefit from the program to the greatest possible degree, and will result in the fullest implementation of the law which we passed last year.

#### GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent that I be permitted to revise and extend my remarks, and to include extraneous matter on the bill H.R. 14224, and that all Members desiring to do so may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of H.R. 14224.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 387, nays 0, not voting 45, as follows:

[Roll No. 58]

YEAS—387

Abbitt	Bell	Carter	Daniels	Joelson	Race
Adams	Bennett	Casey	Davis, Ga.	Johnson, Calif.	Randall
Addabbo	Berry	Cederberg	Davis, Wis.	Johnson, Pa.	Redlin
Albert	Betts	Chamberlain	Dawson	Jonas	Rees
Anderson, Ill.	Bingham	Clancy	de la Garza	Jones, Ala.	Reid, Ill.
Anderson, Tenn.	Boggs	Clark	Delaney	Jones, Mo.	Rcid, N.Y.
Andrews, George W.	Boland	Clausen, Don H.	Dent	Jones, N.C.	Reifel
Andrews, Glenn	Bolton	Clawson, Del	Denton	Karsten	Resnick
Andrews, N. Dak.	Bow	Cleveland	Derwinski	Karth	Reuss
Annunzio	Brademas	Clevenger	Devine	Kastenmeier	Rhodes, Ariz.
Arends	Bray	Cohelan	Dickinson	Kee	Rhodes, Pa.
Ashbrook	Brooks	Collier	Diggs	Keith	Rivers, S.C.
Ashley	Broomfield	Conable	Dingell	Kelly	Rivers, Alaska
Ashmore	Brown, Calif.	Conte	Dole	King, Calif.	Roberts
Aspinall	Brown, Ohio	Conyers	Donohue	King, N.Y.	Robison
Ayres	Broyhill, N.C.	Cooley	Dorn	King, Utah	Rodino
Bandstra	Broyhill, Va.	Corbett	Dow	Kirwan	Rogers, Colo.
Baring	Buchanan	Corman	Downing	Kluczynski	Rogers, Fla.
Barrett	Burke	Cramer	Dulski	Kornegay	Rogers, Tex.
Bates	Burton, Calif.	Culver	Duncan, Oreg.	Krebs	Ronan
Battin	Burton, Utah	Cunningham	Duncan, Tenn.	Kunkel	Roncaglio
Beckworth	Byrne, Pa.	Curtin	Dwyer	Laird	Rooney, Pa.
Belcher	Byrnes, Wis.	Curtis	Edmondson	Landrum	Rosenthal
	Cahill	Daddario	Edwards, Ala.	Langen	Rostenkowski
	Callan	Dague	Edwards, Calif.	Latta	Roush
	Callaway		Edwards, La.	Leggett	Roybal
	Carey		Ellsworth	Lennon	Rumsfeld
			Erlenborn	Lipscomb	Ryan
			Evans, Colo.	Long, La.	Satterfield
			Everett	Long, Md.	St Germain
			Evins, Tenn.	Love	St. Onge
			Fallon	McCarthy	Saylor
			Farnsley	McClure	Scheuer
			Farnum	McCulloch	Schisler
			Fascel	McDade	Schmidhauser
			Feighan	McDowell	Schneebeli
			Findley	McEwen	Schweiker
			Fisher	McFall	Secrest
			Flood	McGrath	Selden
			Flynt	McMillan	Senner
			Fogarty	McVicker	Shipley
			Foley	MacGregor	Shriver
			Ford, Gerald R.	Machen	Sickles
			Ford, William D.	Mackay	Sikes
			Fountain	Mackie	Sisk
			Frelinghuysen	Madden	Skubitiz
			Friedel	Mahon	Slack
			Fulton, Pa.	Mailliard	Smith, Calif.
			Gallagher	Marsh	Smith, Iowa
			Garmatz	Martin, Ala.	Smith, N.Y.
			Gathings	Martin, Mass.	Smith, Va.
			Gettys	Martin, Nebr.	Springer
			Glaime	Mathias	Stafford
			Gibbons	Matsunaga	Staggers
			Gilbert	May	Stalbaum
			Gilligan	Meeds	Stanton
			Gonzalez	Michel	Steed
			Goodell	Mills	Stephens
			Grabowski	Minish	Stratton
			Gray	Mink	Stubblefield
			Green, Oreg.	Minshall	Sullivan
			Green, Pa.	Mize	Talcott
			Greigg	Moeller	Taylor
			Grider	Monagan	Teague, Calif.
			Griffiths	Moore	Thomas
			Gross	Moorhead	Thompson, N.J.
			Grover	Morgan	Thompson, Tex.
			Gubser	Morris	Thomson, Wis.
			Gurney	Morrison	Todd
			Hagen, Calif.	Morse	Trimble
			Haley	Morton	Tuck
			Hall	Mosher	Tupper
			Halleck	Moss	Tuten
			Halpern	Multer	Udall
			Hamilton	Murphy, Ill.	Ullman
			Hanley	Murphy, N.Y.	Utt
			Hanna	Natcher	Van Deerlin
			Hansen, Idaho	Nedzi	Vanik
			Hansen, Iowa	Nelsen	Vigorito
			Hansen, Wash.	O'Brien	Vivian
			Harsha	O'Hara, Ill.	Waggoner
			Harvey, Ind.	O'Hara, Mich.	Walker, Miss.
			Harvey, Mich.	O'Konski	Walker, N. Mex.
			Hathaway	Olsen, Mont.	Watkins
			Hawkins	Olson, Minn.	Watson
			Hays	O'Neal, Ga.	Watts
			Hébert	O'Neill, Mass.	Weltner
			Hechler	Ottinger	White
			Helstoski	Passman	White, Idaho
			Henderson	Patten	White, Tex.
			Hicks	Pelly	Whitener
			Holifield	Pepper	Widnall
			Holland	Perkins	Wilson, Bob
			Horton	Philbin	Wilson,
			Hosmer	Pickle	Charles H.
			Howard	Pike	Wolf
			Hull	Pirnie	Wright
			Hungate	Poage	Wyatt
			Huot	Poff	Wylder
			Hutchinson	Pool	Yates
			Ichord	Price	Young
			Irwin	Pucinski	Younger
			Jarman	Quié	Zablocki
			Jennings	Quillen	

NAYS—0

NOT VOTING—45

Abernethy	Fraser	Patman
Adair	Fulton, Tenn.	Powell
Blatnik	Fuqua	Purcell
Bolling	Griffin	Reinecke
Brock	Hagan, Ga.	Rooney, N.Y.
Burleson	Hardy	Roudebush
Cabell	Herlong	Scott
Cameron	Jacobs	Sweeney
Celler	Johnson, Okla.	Teague, Tex.
Chelf	Keogh	Tenzer
Colmer	Macdonald	Toll
Dowdy	Matthews	Tunney
Dyal	Miller	Whitten
Farbstein	Murray	Williams
Fino	Nix	Willis

So the bill was passed.

The Clerk announced the following pairs:

- Mr. Keogh with Mr. Griffin.
- Mr. Rooney of New York with Mr. Rein-  
ecke.
- Mr. Tenzer with Mr. Fino.
- Mr. Toll with Mr. Adair.
- Mr. Farbstein with Mr. Roudebush.
- Mr. Burleson with Mr. Brock.
- Mr. Jacobs with Mr. Blatnik.
- Mr. Miller with Mr. Teague of Texas.
- Mr. Hardy with Mr. Celler.
- Mr. Matthews with Mr. Dyal.
- Mr. Cabell with Mr. Colmer.
- Mr. Abernethy with Mr. Ashley.
- Mr. Nix with Mr. Sweeney.
- Mr. Macdonald with Mr. Scott.
- Mr. Johnson of Oklahoma with Mr. Chelf.
- Mr. Cameron with Mr. Dowdy.
- Mr. Fuqua with Mr. Philbin.
- Mr. Fraser with Mr. Powell.
- Mr. Patman with Mr. Whitten.
- Mr. Willis with Mr. Williams.
- Mr. Hagan of Georgia with Mr. Purcell.
- Mr. Herlong with Mr. Murray.

The result of the vote was announced as above recorded.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6319) to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, with Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, and I shall not do so, I take this time merely to offer the chairman an opportunity to explain these Senate amendments.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, if there is no objection to the request I propose, I would move to substitute for the Senate amendments dealing with the subject of extending the time for the enrollment of people under the plan B of the social security medical care program the language of the bill which has just passed the House. The Senate amendment deals in part with what was in the House passed bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. FULTON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. My question is on legislative intent. Where there are people who are responsible for the care of older people, in the position of children or guardians or a relative or have the interest of that person at heart or whether it is a nonprofit organization such as a church or a church society, is it possible for that organization or that person to pay for the \$3 a month premium and sign up for the older person, when, for example, an older person is not able to handle these things, or simply will not sign any paper whatever, and the family, for example, does not want to have the aged declared mentally incompetent.

Can we have a legislative intent?

Mr. MILLS. Mr. Speaker, will the gentleman from Wisconsin yield to me at this point?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. The gentleman from Pennsylvania raises a point that is not, first of all, let me say, involved in this particular subject matter pending before the House. It is, however, dealt with in the basic legislation to which these amendments apply. In the case of the individual who is having his affairs looked after by a guardian or conservator, or for that reason in either case of that sort it is possible for that individual or that person to enroll the elderly one to whom the gentleman from Pennsylvania refers.

Mr. FULTON of Pennsylvania. Suppose there is no legal guardian appointed? Then the question comes up, can someone who has legal responsibility take care of the person.

Mr. MILLS. Mr. Speaker, if the gentleman from Wisconsin will yield further, there is actually no basis involved against a person enrolling the elderly citizen, even in the case where there is no legal guardianship or legal responsibility upon the latter person.

Mr. FULTON of Pennsylvania. Then if the person, for example, is confused or simply will not sign any paper, can someone in this position who has the legal responsibility for them, or a friend or a ladies aid society, pay a premium and enroll the person, unless there is a specific objection filed by the person to be benefited?

Mr. MILLS. Mr. Speaker, if the gentleman from Wisconsin will yield further—

Mr. BYRNES of Wisconsin. I yield further to the gentleman from Arkansas.

Mr. MILLS. You want to remember this: That this is a case of a voluntary election. It is not a voluntary election by someone for someone else. It has to be an election—a voluntary election—by an elderly person who is otherwise eligible to enrolls. That person is required to file for this. Unless the person is mentally incapacitated, or for some other reason incapacitated, then he has to file for this. Of course, if the person is mentally incapacitated, or for some other reason is incapacitated and could not file, normally there is a legal guardian for this person looking after the person's

other affairs, and such individual could file for that person.

Even if there is no legal guardian, so long as the person is incompetent to handle his own affairs, another person may enroll for him.

Where there is a question or doubt about whether a person is competent to act on his own behalf or whether he can handle his own affairs without assistance, I understand that the policy followed by the Social Security Administration is to resolve the issue on the side of allowing another person to enroll on his behalf.

Thus there is no need to have a legal guardian appointed in order to get such person enrolled. Nor is there any need to have a legal adjudication of incompetency. The Social Security Administration will look at the facts, including medical reports, and if the facts indicate that a person is not actually able to make the decision for himself, he can be enrolled by some other interested person.

If a person is physically competent and if the person is mentally able to do so, that person has to make the determination, and someone else cannot do it for them.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 17, after line 10, insert:  
"SEC. 3. TWO-MONTH EXTENSION OF INITIAL ENROLLMENT PERIOD FOR SUPPLEMENTARY MEDICAL INSURANCE BENEFITS FOR THE AGED

"(a) The first sentence of section 1837(c) of the Social Security Act is amended (1) by striking out 'January 1, 1966' and inserting in lieu thereof 'March 1, 1966', and (2) by striking out 'March 31, 1966' and inserting in lieu thereof 'May 31, 1966'.

"(b) Section 1837(d) of the Social Security Act is amended by striking out 'January 1, 1966' and inserting in lieu thereof 'March 1, 1966'.

"(c) Section 102(b) of the Social Security Amendments of 1965 is amended by striking out 'April 1, 1966' each time it appears and inserting in lieu thereof 'June 1, 1966'."

Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, and to amend title XVIII of the Social Security Act to extend the initial enrollment period for supplementary medical insurance benefits."

Mr. MILLS (during reading of Senate amendments). Mr. Speaker, I ask unanimous consent to dispense with further reading of the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I offer as a substitute for the Senate amendments the following amendment, which I send to the Clerk's desk, which is the identical text of the bill, H.R. 14224, that has just passed the House.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. MILLS moves to concur in the Senate amendment with an amendment as follows: In lieu of the matter inserted by the Senate amendment to the text of the bill, insert the following:

"SEC. 3. TWO-MONTH EXTENSION OF INITIAL ENROLLMENT PERIOD FOR SUPPLEMENTARY MEDICAL INSURANCE BENEFITS FOR THE AGED

"(a) The first sentence of section 1837(c) of the Social Security Act is amended (1) by striking out 'January 1, 1966' and inserting in lieu thereof 'March 1, 1966', and (2) by striking out 'March 31, 1966' and inserting in lieu thereof 'May 31, 1966'.

"(b) Section 1837(d) of the Social Security Act is amended by striking out 'January 1, 1966' and inserting in lieu thereof 'March 1, 1966'.

"(c) Section 102(b) of the Social Security Amendments of 1965 is amended by striking out 'April 1, 1966' each time it appears and inserting in lieu thereof 'June 1, 1966'.

"(d) In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 of the Social Security Act in March 1966, and who enrolls pursuant to subsection (d) of section 1837 of such Act in May 1966, his coverage period shall, notwithstanding section 1838(a)(2)(D) of such Act, begin on July 1, 1966.

"SEC. 4. COVERAGE, UNDER STATE AGREEMENTS, OF PUBLIC ASSISTANCE RECIPIENTS ENTITLED TO SOCIAL SECURITY OR RAILROAD RETIREMENT BENEFITS.

"(a) Subsection (b) of section 1843 of the Social Security Act is amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out all that follows and inserting in lieu thereof (after and below paragraph (2)) the following new sentence:

"'Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937.'

"(b) Section 1843 of such Act is amended by adding at the end thereof the following new subsection:

"(g) (1) The Secretary shall, at the request of a State made before January 1, 1968, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.

"(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—

"(A) subsections (c) and (d)(2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),

"(B) subsection (d)(3)(B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and

"(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month).'

"(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In the case of an individual who is enrolled under the program established by

this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable, subsections (a), (b), (c), (d), and (e) of this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d).'

Mr. MILLS. Mr. Speaker, I ask unanimous consent to dispense with further reading of the amendment that I just sent to the desk, and that it be printed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

Mr. MILLS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS moves to concur in the Senate amendment to the title of the bill.

The motion was agreed to.

A motion to reconsider was laid on the table.

On motion of Mr. MILLS, and by unanimous consent, the proceedings by which the bill H.R. 14224 was passed were vacated and the bill was laid on the table.





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MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 6319) to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by government of foreign countries, with an amendment, in which it requested the concurrence of the Senate.

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AMENDMENT OF INTERNAL REV-  
ENUE CODE OF 1954

Mr. SMATHERS. Mr. President, I ask that the Chair lay before the Senate a message from the House on H.R. 6319.

The PRESIDING OFFICER (Mr. MURPHY in the chair) laid before the Senate the amendment of the House to the amendment of the Senate to the bill (H.R. 6319) to amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, which was read, as follows:

In lieu of the matter inserted by the Senate amendment to the text of the bill, insert the following:

"SEC. 3. TWO-MONTH EXTENSION OF INITIAL  
ENROLLMENT PERIOD FOR SUPPLE-  
MENTARY MEDICAL INSURANCE  
BENEFITS FOR THE AGED

"(a) The first sentence of section 1837(c) of the Social Security Act is amended (1) by striking out 'January 1, 1966' and inserting in lieu thereof 'March 1, 1966', and (2) by striking out 'March 31, 1966' and inserting in lieu thereof 'May 31, 1966'.

"(b) Section 1837(d) of the Social Security Act is amended by striking out 'January 1, 1966' and inserting in lieu thereof 'March 1, 1966'.

"(c) Section 102(b) of the Social Security Amendments of 1965 is amended by striking out 'April 1, 1966' each time it appears and inserting in lieu thereof 'June 1, 1966'.

"(d) In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 of the Social Security Act in March 1966, and who enrolls pursuant to subsection (d) of section 1837 of such Act in May 1966, his coverage period shall, notwithstanding section 1838(a) (2) (D) of such Act, begin on July 1, 1966.

"SEC. 4. COVERAGE, UNDER STATE AGREEMENTS,  
OF PUBLIC ASSISTANCE RECIPIENTS  
ENTITLED TO SOCIAL SECURITY OR  
RAILROAD RETIREMENT BENEFITS.

"(a) Subsection (b) of section 1843 of the Social Security Act is amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out all that follows and inserting in lieu thereof (after and below paragraph (2)) the following new sentence:

"Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937."

"(b) Section 1843 of such Act is amended by adding at the end thereof the following new subsection:

"(g) (1) The Secretary shall, at the re-

quest of a State made before January 1, 1968, enter into a modification of an agreement entered into which such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.

"(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—

"(A) subsections (c) and (d) (2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),

"(B) subsection (d) (3) (B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and

"(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month)."

"(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

"(i) In the case of an individual who is enrolled under the program established by this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable, subsections (a), (b), (c), (d), and (e) of this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d)."

That the House agree to the amendment of the Senate to the title of aforesaid bill.

Mr. SMATHERS. Mr. President, both the House and the Senate have agreed to the principal features of the bill. They relate to the tax treatment of expropriation loss recoveries. The chairman of the Committee on Finance, the gentleman from Louisiana [Mr. LONG], explained these provisions in considerable detail when the bill was before the Senate on April 1. There is no reason to repeat the explanation of the tax features at this time.

In addition, no change has been made in the basic part of the bill as it passed the Senate at that time or in the bill as it passed the House.

An amendment added to the bill by the Senate extends the period for enrolling under part B of medicare for 2 months—from March 31 until May 31.

The House has agreed to the Senate amendment with technical modifications designed to facilitate medical insurance coverage of elderly persons who are receiving both social security benefits and public assistance. We have examined the House amendment and believe it is in keeping with the Senate provision. The Department of Health, Education, and Welfare has indicated that it, too, approves the House amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from the Acting Secretary of Health, Education, and Welfare.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,  
EDUCATION, AND WELFARE,  
April 6, 1966.

Hon. RUSSELL LONG,  
Chairman, Committee on Finance,  
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for a report on the amendments to the Social Security Act reported out by the House Committee on Ways and Means, which are to be considered as amendments to H.R. 6319. The Department supports the amendments recommended by the House committee.

We trust that the Senate will be able to act on this legislation as promptly as possible. We strongly urge the adoption of this legislation as amended.

Sincerely,

WILBUR J. COHEN,  
Acting Secretary.

Mr. SMATHERS. Mr. President, I move that the Senate concur in the amendment of the House and that the bill as agreed to be immediately sent to the White House, so that elderly persons who were unable to file for medical coverage by the March 31 deadline will have a further opportunity to file.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the distinguished Senator from Kansas, a member of the Committee on Finance.

Mr. CARLSON. Mr. President, as the distinguished Senator from Florida has just mentioned, the 60-day extension was recommended by the Committee on Finance. The House accepted that amendment, as I understand, but with an amendment that should a State desire to make contributions to take care of persons who are on social security, or who are receiving public assistance and are not able financially to pay for it, the State, of its own volition, may make those payments.

Mr. SMATHERS. The understanding of the Senator from Kansas is correct.

Mr. CARLSON. Personally, I think that is a good amendment. I heartily approve it. I hope it will be unanimously approved by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida that the Senate concur in the amendment of the House to the amendment of the Senate.

The motion was agreed to.

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Public Law 89-384  
89th Congress, H. R. 6319  
April 8, 1966

## An Act

To amend the Internal Revenue Code of 1954 to provide for treatment of the recovery of losses arising from expropriation, intervention, or confiscation of properties by governments of foreign countries, and to amend title XVIII of the Social Security Act to extend the initial enrollment period for supplementary medical insurance benefits.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. RECOVERIES OF FOREIGN EXPROPRIATION LOSSES.

(a) Subchapter Q of chapter 1 of the Internal Revenue Code of 1954 (relating to readjustment of tax between years) is amended by adding at the end thereof the following new part:

Foreign expro-  
priations.  
Medical insur-  
ance benefits;  
enrollment  
period.  
78 Stat. 105.

### “PART VII—RECOVERIES OF FOREIGN EXPROPRIATION LOSSES

“Sec. 1351. Treatment of recoveries of foreign expropriation losses.

#### “SEC. 1351. TREATMENT OF RECOVERIES OF FOREIGN EXPROPRIATION LOSSES.

“(a) ELECTION.—

“(1) IN GENERAL.—This section shall apply only to a recovery, by a domestic corporation subject to the tax imposed by section 11 or 802, of a foreign expropriation loss sustained by such corporation and only if such corporation was subject to the tax imposed by section 11 or 802, as the case may be, for the year of the loss and elects to have the provisions of this section apply with respect to such loss.

78 Stat. 25;  
73 Stat. 115.

“(2) TIME, MANNER, AND SCOPE.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary or his delegate may prescribe by regulations. An election made with respect to any foreign expropriation loss shall apply to all recoveries in respect of such loss.

“(b) DEFINITION OF FOREIGN EXPROPRIATION LOSS.—For purposes of this section, the term ‘foreign expropriation loss’ means any loss sustained by reason of the expropriation, intervention, seizure, or similar taking of property by the government of any foreign country, any political subdivision thereof, or any agency or instrumentality of the foregoing. For purposes of the preceding sentence, a debt which becomes worthless shall, to the extent of any deduction allowed under section 166(a), be treated as a loss.

68A Stat. 50.

“(c) AMOUNT OF RECOVERY.—

“(1) GENERAL RULE.—The amount of any recovery of a foreign expropriation loss is the amount of money and the fair market value of other property received in respect of such loss, determined as of the date of receipt.

80 STAT. 99.  
80 STAT. 100.

“(2) SPECIAL RULE FOR LIFE INSURANCE COMPANIES.—The amount of any recovery of a foreign expropriation loss includes, in the case of a life insurance company, the amount of decrease of any item taken into account under section 810(c), to the extent such decrease is attributable to the release, by reason of such loss, of its liabilities with respect to such item.

73 Stat. 125.

“(d) ADJUSTMENT FOR PRIOR TAX BENEFITS.—

“(1) IN GENERAL.—That part of the amount of a recovery of a foreign expropriation loss to which this section applies which, when added to the aggregate of the amounts of previous recoveries with respect to such loss, does not exceed the allowable deductions in prior taxable years on account of such loss shall be excluded

from gross income for the taxable year of the recovery for purposes of computing the tax under this subtitle; but there shall be added to, and assessed and collected as a part of, the tax under this subtitle for such taxable year an amount equal to the total increase in the tax under this subtitle for all taxable years which would result by decreasing, in an amount equal to such part of the recovery so excluded, the deductions allowable in the prior taxable years on account of such loss. For purposes of this paragraph, if the loss to which the recovery relates was taken into account as a loss from the sale or exchange of a capital asset, the amount of the loss shall be treated as an allowable deduction even though there were no gains against which to allow such loss.

“(2) COMPUTATION.—The increase in the tax for each taxable year referred to in paragraph (1) shall be computed in accordance with regulations prescribed by the Secretary or his delegate. Such regulations shall give effect to previous recoveries of any kind (including recoveries described in section 111, relating to recovery of bad debts, etc.) with respect to any prior taxable year, but shall otherwise treat the tax previously determined for any taxable year in accordance with the principles set forth in section 1314(a) (relating to correction of errors). Subject to the provisions of paragraph (3), all credits allowable against the tax for any taxable year, and all carryovers and carrybacks affected by so decreasing the allowable deductions, shall be taken into account in computing the increase in the tax.

68A Stat. 33.

“(3) FOREIGN TAXES.—For purposes of this subsection—

“(A) any choice made under subpart A of part III of subchapter N (relating to foreign tax credit) for any taxable year may be changed,

74 Stat. 1010.

“(B) subject to the provisions of section 904(b), an election to have the limitation provided by section 904(a) (2) apply may be made, and

“(C) notwithstanding section 904(b) (1), an election previously made to have the limitation provided by section 904(a) (2) apply may be revoked with respect to any taxable year and succeeding taxable years.

“(4) SUBSTITUTION OF CURRENT NORMAL TAX AND SURTAX RATES.—

78 Stat. 25.

For purposes of this subsection, the normal tax rate provided by section 11(b) and the surtax rate provided by section 11(c) which are in effect for the taxable year of the recovery shall be treated as having been in effect for all prior taxable years.

“(e) GAIN ON RECOVERY.—That part of the amount of a recovery of a foreign expropriation loss to which this section applies which is not excluded from gross income under subsection (d) (1) shall be considered for the taxable year of the recovery as gain on the involuntary conversion of property as a result of its destruction or seizure and shall be recognized or not recognized as provided in section 1033.

80 STAT. 100.

80 STAT. 101.

“(f) BASIS OF RECOVERED PROPERTY.—The basis of property (other than money) received as a recovery of a foreign expropriation loss to which this section applies shall be an amount equal to its fair market value on the date of receipt, reduced by such part of the gain under subsection (e) which is not recognized as provided in section 1033.

“(g) RESTORATION OF VALUE OF INVESTMENTS.—For purposes of this section, if the value of any interest in, or with respect to, property (including any interest represented by a security, as defined in section 165(g) (2))—

“(1) which became worthless by reason of the expropriation, intervention, seizure, or similar taking of such property by the

government of any foreign country, any political subdivision thereof, or any agency or instrumentality of the foregoing, and

“(2) which was taken into account as a loss from the sale or exchange of a capital asset or with respect to which a deduction for a loss was allowed under section 165 or a deduction for a bad debt was allowed under section 166,

68A Stat. 49.

is restored in whole or in part by reason of any recovery of money or other property in respect of the property which became worthless, the value so restored shall be treated as property received as a recovery in respect of such loss or such bad debt.

“(h) SPECIAL RULE FOR EVIDENCES OF INDEBTEDNESS.—Bonds or other evidences of indebtedness received as a recovery of a foreign expropriation loss to which this section applies shall not be considered to have any original issue discount within the meaning of section 1232(a)(2).

“(i) ADJUSTMENTS FOR SUCCEEDING YEARS.—For purposes of this subtitle, proper adjustment shall be made, under regulations prescribed by the Secretary or his delegate, in—

“(1) the credit under section 33 (relating to foreign tax credit),

“(2) the credit under section 38 (relating to investment credit),

76 Stat. 962.

“(3) the net operating loss deduction under section 172, or the operations loss deduction under section 812,

“(4) the capital loss carryover under section 1212(a), and

78 Stat. 860.

“(5) such other items as may be specified by such regulations,

for the taxable year of a recovery of a foreign expropriation loss to which this section applies, and for succeeding taxable years, to take into account items changed in making the computations under subsection (d) for taxable years prior to the taxable year of such recovery.”

(b)(1) Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

**“SEC. 80. RESTORATION OF VALUE OF CERTAIN SECURITIES.**

“(a) GENERAL RULE.—In the case of a domestic corporation subject to the tax imposed by section 11 or 802, if the value of any security (as defined in section 165(g)(2))—

78 Stat. 25;  
73 Stat. 115.

“(1) which became worthless by reason of the expropriation, intervention, seizure, or similar taking by the government of any foreign country, any political subdivision thereof, or any agency or instrumentality of the foregoing of property to which such security was related, and

“(2) which was taken into account as a loss from the sale or exchange of a capital asset or with respect to which a deduction for a loss was allowed under section 165,

is restored in whole or in part during any taxable year by reason of any recovery of money or other property in respect of the property to which such security was related, the value so restored (to the extent that, when added to the value so restored during prior taxable years, it does not exceed the amount of the loss described in paragraph (2)) shall, except as provided in subsection (b), be included in gross income for the taxable year in which such restoration occurs.

80 STAT. 101.

80 STAT. 102.

“(b) REDUCTION FOR FAILURE TO RECEIVE TAX BENEFIT.—The amount otherwise includible in gross income under subsection (a) in respect of any security shall be reduced by an amount equal to the amount (if any) of the loss described in subsection (a)(2) which did not result in a reduction of the taxpayer's tax under this subtitle for any taxable year, determined under regulations prescribed by the Secretary or his delegate.

“(c) CHARACTER OF INCOME.—For purposes of this subtitle—

68A Stat. 325.

“(1) Except as provided in paragraph (2), the amount included in gross income under this section shall be treated as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231.

“(2) If the loss described in subsection (a) (2) was taken into account as a loss from the sale or exchange of a capital asset, the amount included in gross income under this section shall be treated as long-term capital gain.

Ante, p. 99.

“(d) TREATMENT UNDER FOREIGN EXPROPRIATION LOSS RECOVERY PROVISION.—This section shall not apply to any recovery of a foreign expropriation loss to which section 1351 applies.”

(2) The table of sections for such part II is amended by adding at the end thereof the following:

“Sec. 80. Restoration of value of certain securities.”

(3) The amendments made by this subsection shall apply to taxable years beginning after December 31, 1965, but only with respect to losses described in section 80(a) (2) of the Internal Revenue Code of 1954 (as added by paragraph (1) of this subsection) which were sustained after December 31, 1958.

76 Stat. 963;

78 Stat. 32.

(c) (1) Section 46(a) (3) of the Internal Revenue Code of 1954 (relating to liability for tax for purposes of the investment credit) is amended by inserting after “personal holding company tax)” the following: “, and any additional tax imposed for the taxable year by section 1351(d) (1) (relating to recoveries of foreign expropriation losses)”.

(2) Section 901(a) of such Code (relating to foreign tax credit) is amended by inserting after “section 1333 (relating to war loss recoveries)” in the last sentence thereof “or under section 1351 (relating to recoveries of foreign expropriation losses)”.

(d) Subchapter B of chapter 62 of the Internal Revenue Code of 1954 (relating to time and place for paying tax) is amended by adding at the end thereof the following new section:

**“SEC. 6167. EXTENSION OF TIME FOR PAYMENT OF TAX ATTRIBUTABLE TO RECOVERY OF FOREIGN EXPROPRIATION LOSSES.**

“(a) EXTENSION ALLOWED BY ELECTION.—If—

“(1) a corporation has a recovery of a foreign expropriation loss to which section 1351 applies, and

“(2) the portion of the recovery received in money is less than 25 percent of the amount of such recovery (as defined in section 1351(c)) and is not greater than the tax attributable to such recovery,

80 STAT. 102.

80 STAT. 103.

the tax attributable to such recovery shall, at the election of the taxpayer, be payable in 10 equal installments on the 15th day of the third month of each of the taxable years following the taxable year of the recovery. Such election shall be made at such time and in such manner as the Secretary or his delegate may prescribe by regulations. If an election is made under this subsection, the provisions of this subtitle shall apply as though the Secretary or his delegate were extending the time for payment of such tax.

“(b) EXTENSION PERMITTED BY SECRETARY.—If a corporation has a recovery of a foreign expropriation loss to which section 1351 applies and if an election is not made under subsection (a), the Secretary or his delegate may, upon finding that the payment of the tax attributable to such recovery at the time otherwise provided in this subtitle would result in undue hardship, extend the time for payment of such



tax for a reasonable period or periods not in excess of 9 years from the date on which such tax is otherwise payable.

“(c) ACCELERATION OF PAYMENTS.—If—

“(1) an election is made under subsection (a),

“(2) during any taxable year before the tax attributable to such recovery is paid in full—

“(A) any property (other than money) received on such recovery is sold or exchanged, or

“(B) any property (other than money) received on any sale or exchange described in subparagraph (A) is sold or exchanged, and

“(3) the amount of money received on such sale or exchange (reduced by the amount of the tax imposed under chapter 1 with respect to such sale or exchange), when added to the amount of money—

“(A) received on such recovery, and

“(B) received on previous sales or exchanges described in subparagraphs (A) and (B) of paragraph (2) (as so reduced),

exceeds the amount of money which may be received under subsection (a) (2),

an amount of the tax attributable to such recovery equal to such excess shall be payable on the 15th day of the third month of the taxable year following the taxable year in which such sale or exchange occurs. The amount of such tax so paid shall be treated, for purposes of this section, as a payment of the first unpaid installment or installments (or portion thereof) which become payable under subsection (a) following such taxable year.

“(d) PRORATION OF DEFICIENCY TO INSTALLMENTS.—If an election is made under subsection (a), and a deficiency attributable to the recovery of a foreign expropriation loss has been assessed, the deficiency shall be prorated to such installments. The part of the deficiency so prorated to any installment the date for payment of which has not arrived shall be collected at the same time as, and as part of, such installment. The part of the deficiency so prorated to any installment the date for payment of which has arrived shall be paid upon notice and demand from the Secretary or his delegate. This subsection shall not apply if the deficiency is due to negligence, to intentional disregard of rules and regulations, or to fraud with intent to evade tax.

“(e) TIME FOR PAYMENT OF INTEREST.—If the time for payment for any amount of tax has been extended under this section, interest payable under section 6601 on any unpaid portion of such amount shall be paid annually at the same time as, and as part of, each installment payment of the tax. Interest, on that part of a deficiency prorated under this section to any installment the date for payment of which has not arrived, for the period before the date fixed for the last installment preceding the assessment of the deficiency, shall be paid upon notice and demand from the Secretary or his delegate. In applying section 6601(j) (relating to the application of the 4-percent rate of interest in the case of recoveries of foreign expropriation losses to which this section applies) in the case of a deficiency, the entire amount which is prorated to installments under this section shall be treated as an amount of tax the payment of which is extended under this section.

“(f) TAX ATTRIBUTABLE TO RECOVERY OF FOREIGN EXPROPRIATION LOSS.—For purposes of this section, the tax attributable to a recovery of a foreign expropriation loss is the sum of—

80 STAT. 103.

80 STAT. 104.

Infra.

Ante, p. 99.

“(1) the additional tax imposed by section 1351(d)(1) on such recovery, and

“(2) the amount by which the tax imposed under subtitle A is increased by reason of the gain on such recovery which under section 1351(e) is considered as gain on the involuntary conversion of property.

“(g) FAILURE TO PAY INSTALLMENT.—If any installment under this section is not paid on or before the date fixed for its payment by this section (including any extension of time for the payment of such installment), the unpaid portion of the tax payable in installments shall be paid upon notice and demand from the Secretary or his delegate.

“(h) CROSS-REFERENCES.—

“(1) Interest.—For provisions requiring the payment of interest at the rate of 4 percent per annum for the period of an extension, see section 6601(j).

“(2) Security.—For authority of the Secretary or his delegate to require security in the case of an extension under this section, see section 6165.

“(3) Period of limitation.—For extension of the period of limitation in the case of an extension under this section, see section 6503(f).”

70 Stat. 1075.

(e) Section 6503 of the Internal Revenue Code of 1954 (relating to suspension of running of period of limitation) is amended by redesignating subsection (f) as (g), and by inserting after subsection (e) the following new subsection:

Supra.

“(f) EXTENSIONS OF TIME FOR PAYMENT OF TAX ATTRIBUTABLE TO RECOVERIES OF FOREIGN EXPROPRIATION LOSSES.—The running of the period of limitations for collection of the tax attributable to a recovery of a foreign expropriation loss (within the meaning of section 6167 (f)) shall be suspended for the period of any extension of time for payment under subsection (a) or (b) of section 6167.”

(f) Section 6601 of the Internal Revenue Code of 1954 (relating to interest on underpayments) is amended by redesignating subsection (j) as (k), and by inserting after subsection (i) the following new subsection:

“(j) EXTENSIONS OF TIME FOR PAYMENT OF TAX ATTRIBUTABLE TO RECOVERIES OF FOREIGN EXPROPRIATION LOSSES.—If the time for payment of an amount of the tax attributable to a recovery of a foreign expropriation loss (within the meaning of section 6167 (f)) is extended as provided in subsection (a) or (b) of section 6167, interest shall be paid at the rate of 4 percent, in lieu of 6 percent as provided in subsection (a).”

(g) (1) The table of parts for subchapter Q of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

“Part VII. Recoveries of foreign expropriation losses.”

(2) The table of sections for subchapter B of chapter 62 of such Code is amended by adding at the end thereof the following:

“Sec. 6167. Extension of time for payment of tax attributable to recovery of foreign expropriation losses.”

80 STAT. 104.

80 STAT. 105.

**SEC. 2. EFFECTIVE DATE.**

The amendments made by section 1 (except subsection (b)) shall apply with respect to amounts received after December 31, 1964, in respect of foreign expropriation losses (as defined in section 1351(b) of the Internal Revenue Code of 1954 added by section 1(a)) sustained after December 31, 1958.

**SEC. 3. TWO-MONTH EXTENSION OF INITIAL ENROLLMENT PERIOD FOR SUPPLEMENTARY MEDICAL INSURANCE BENEFITS FOR THE AGED.**

(a) The first sentence of section 1837(c) of the Social Security Act is amended (1) by striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966", and (2) by striking out "March 31, 1966" and inserting in lieu thereof "May 31, 1966".

79 Stat. 304.  
42 USC 1395p.

(b) Section 1837(d) of the Social Security Act is amended by striking out "January 1, 1966" and inserting in lieu thereof "March 1, 1966".

(c) Section 102(b) of the Social Security Amendments of 1965 is amended by striking out "April 1, 1966" each time it appears and inserting in lieu thereof "June 1, 1966".

79 Stat. 332.  
42 USC 1395p.  
note.

(d) In the case of an individual who first satisfies paragraphs (1) and (2) of section 1836 of the Social Security Act in March 1966, and who enrolls pursuant to subsection (d) of section 1837 of such Act in May 1966, his coverage period shall, notwithstanding section 1838(a)(2)(D) of such Act, begin on July 1, 1966.

**SEC. 4. COVERAGE, UNDER STATE AGREEMENTS, OF PUBLIC ASSISTANCE RECIPIENTS ENTITLED TO SOCIAL SECURITY OR RAILROAD RETIREMENT BENEFITS.**

(a) Subsection (b) of section 1843 of the Social Security Act is amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period, and by striking out all that follows and inserting in lieu thereof (after and below paragraph (2)) the following new sentence:

42 USC 1395v.

"Except as provided in subsection (g), there shall be excluded from any coverage group any individual who is entitled to monthly insurance benefits under title II or who is entitled to receive an annuity or pension under the Railroad Retirement Act of 1937."

50 Stat. 307,  
79 Stat. 335.  
45 USC 228a  
et seq.

(b) Section 1843 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, at the request of a State made before January 1, 1968, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the second sentence of subsection (b) shall not apply with respect to such agreement.

"(2) In the case of any individual who would (but for this subsection) be excluded from the applicable coverage group described in subsection (b) by the second sentence of such subsection—

"(A) subsections (c) and (d)(2) shall be applied as if such subsections referred to the modification under this subsection (in lieu of the agreement under subsection (a)),

"(B) subsection (d)(3)(B) shall not apply so long as there is in effect a modification entered into by the State under this subsection, and

"(C) notwithstanding subsection (e), in the case of any termination described in such subsection, such individual may terminate his enrollment under this part by the filing of a notice, before the close of the third month which begins after the date of such termination, that he no longer wishes to participate in the insurance program established by this part (and in such a case, the termination of his coverage period under this part shall take effect as of the close of such third month)."

80 STAT. 105.  
80 STAT. 106.

79 Stat. 306.  
42 USC 1395s.

(c) Section 1840 of such Act is amended by adding at the end thereof the following new subsection:

“(i) In the case of an individual who is enrolled under the program established by this part as a member of a coverage group to which an agreement with a State entered into pursuant to section 1843 is applicable, subsections (a), (b), (c), (d), and (e) of this section shall not apply to his monthly premium for any month in his coverage period which is determined under section 1843(d).”

Approved April 8, 1966, 12:15 p. m.

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LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1125 (Comm. on Ways & Means) and No. 1419  
accompanying H.R. 14224 (Comm. on Ways & Means).  
SENATE REPORT No. 1091 (Comm. on Finance).

CONGRESSIONAL RECORD:

Vol. 111 (1965): Oct. 21, considered and passed House.  
Vol. 112 (1966): Apr. 1, considered and passed Senate, amended.  
Apr. 6, House concurred in Senate amendment  
with an amendment; Senate concurred in House  
amendment.





# Commissioner's Bulletin

SOCIAL SECURITY ADMINISTRATION

Number 40

April 1, 1966

## EXTENSION OF DEADLINE FOR ENROLLMENT IN SUPPLEMENTARY MEDICAL INSURANCE

To All Employees

As you know, the President asked Congress yesterday to give "prompt and sympathetic consideration" to extending to May 31, 1966, the deadline for enrollment in the supplementary medical insurance plan. I am sending you herewith a copy of the text of the letter from the President to the Vice President, as President of the Senate, and to the Speaker of the House. Representative Mills, the Chairman of the House Committee on Ways and Means, has already introduced the Administration's bill. And the Senate Committee on Finance has added an amendment extending the deadline to H. R. 6319, a tax bill unrelated to social security. H. R. 6319, including this amendment, was passed by the Senate today. Final congressional action can be expected soon.

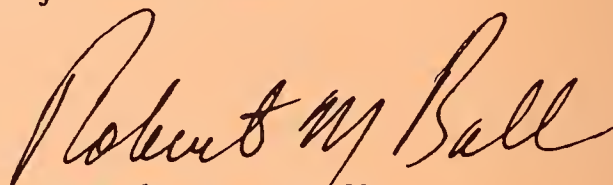
Briefly, the Administration bill and the amendment to H. R. 6319 would allow all eligible persons who attain age 65 before March 1, 1966, to enroll as late as May 31, 1966, with benefits payable as of July 1, 1966. A person who attained age 65 before March 1 but who can show good cause for failing to enroll by the May 31 deadline could enroll at any time before October 1, 1966, although his protection would not begin until 6 months after he enrolled.

As of Tuesday, March 29, the date of our most recent full count, about 16-1/2 million people 65 and over--86 percent of all the aged--had enrolled for medical insurance. Five percent--about one million people--have declined the coverage. The tremendous response reflects

the magnificent job that has been done in informing people about the new insurance program and helping them to enroll - - a job that could not have been accomplished without the fine cooperation of the press, radio, and television media, organized labor, employers, insurance companies, Blue Cross and Blue Shield organizations, the senior citizens groups and countless other government and private organizations.

The facts that we have already enrolled so large a percentage of the Nation's elderly, and that we will be ready on July 1 to perform the next of our required tasks, are testimony not only to the dedication to service which is a social security tradition, but to the value of our effective planning, which is now bearing fruit. No other Federal agency has ever been asked to carry out such a complex program, touching so many people, and to undertake so tremendous a task in so short a time. Since last July we have taken close to 7 million claims and answered over 32 million inquiries. I continue to be impressed over and over by the loyalty and cooperation shown in every part of our organization.

My heartfelt thanks to all of you for a job well done.

A handwritten signature in cursive script that reads "Robert M. Ball". The signature is written in dark ink and is positioned above the printed name and title.

Robert M. Ball  
Commissioner

Enclosure



MARCH 31, 1966

Office of the White House Press Secretary

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THE WHITE HOUSE

TEXT OF LETTER TO THE  
PRESIDENT OF THE SENATE  
AND THE SPEAKER OF THE  
HOUSE OF REPRESENTATIVES

Dear Mr. President: (Dear Mr. Speaker:)

I would like to commend, for your early consideration, an amendment to the Social Security Act which would extend from March 31 to May 31 the deadline for enrollment in the medical insurance portion of the Social Security health insurance program for the aged.

As you know, the Social Security Administration has conducted an energetic campaign to inform all citizens who are already 65 that they must enroll by March 31 to be eligible for medical insurance coverage, which becomes effective July 1.

The results of this effort have been remarkable. More than 86% of the 19.1 million older people have already signed up; an additional 5% have responded by declining to enroll.

Despite this enormous response, there will be some older citizens who will want to enroll after March 31 -- because they did not act quickly enough, or because somehow they were not reached with news of this opportunity.

The present law permits enrollment after March 31 -- if there is good cause for the failure to enroll before the deadline. But under this provision, late enrollees cannot have protection for six months after enrollment.

I believe it would be unfortunate to delay protection to these late enrollees -- some of whom are those with the greatest need for medical insurance.

Under my proposal, therefore, those enrolling in April and May would be eligible for protection on July 1 when the program goes into effect.

Enrollment of the remaining eligible citizens between March 31 and June 1 would present no administrative problems; there would still be one month between the deadline and the first payment of benefits.

(over)

I have asked the Secretary of Health, Education and Welfare to transmit to you the appropriate **draft** language for the amendment. I hope you will give it prompt and sympathetic consideration.

Sincerely,

/s/ Lyndon B. Johnson

Honorable Hubert H. Humphrey  
President  
United States Senate  
Washington, D.C.

Honorable John W. McCormack  
Speaker of the House of Representatives  
Washington, D.C.

# Commissioner's Bulletin

SOCIAL SECURITY ADMINISTRATION

Number 41

April 6, 1966

## EXTENSION OF DEADLINE FOR ENROLLMENT IN SUPPLEMENTARY MEDICAL INSURANCE

To Administrative, Supervisory,  
and Technical Employees

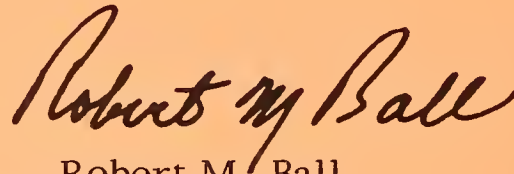
The amendment to H. R. 6319 (described in Commissioner's Bulletin No. 40) extending the deadline for enrollment in the medical insurance plan was passed today by both the House and the Senate. The President is expected to sign the measure before the end of the week.

The amendment as enacted differs from the amendment originally added by the Senate in two respects:

1. To avoid an apparent anomaly, a minor change was made in the provisions extending the deadline. Under the original Senate amendment added to H. R. 6319, persons attaining age 65 before March or in April through July 1966 and enrolling in May would have coverage effective July 1, while the coverage of persons attaining 65 in March and enrolling in May would not have been effective until August 1. Under the amendment as enacted, people attaining age 65 in March and enrolling in May will also have coverage effective July 1.
2. Provisions were added permitting States, at their option, to include recipients who are entitled to social security or railroad retirement benefits in their agreements covering public assistance recipients under supplementary medical insurance. Under the provisions of present law a State may buy into the supplementary medical insurance plan for public assistance recipients who are not social security or railroad retirement beneficiaries but not for those who are beneficiaries. Social security beneficiaries, whether or not they are also public assistance recipients, may enroll only as individuals and may pay premiums only by deductions from their benefits. Under the amendment a State which enters into an agreement (under section 1843) enrolling its public assistance recipients aged 65 and over in

supplementary medical insurance may include as enrollees, either at the time of its original agreement or later, recipients who are entitled to social security or railroad retirement benefits. In the event a social security beneficiary ceases to be a public assistance recipient, he will have the right to terminate his enrollment during the 3-month period after the month he leaves the public assistance rolls.

Additional information on the new provisions is being prepared and will be sent to you shortly.

A handwritten signature in cursive script that reads "Robert M. Ball". The signature is written in dark ink and is positioned above the printed name and title.

Robert M. Ball  
Commissioner







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