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A COMPILATION OF MATERIALS RELEVANT TO THE  
MESSAGE OF THE PRESIDENT OF THE UNITED  
STATES ON OUR NATION'S SENIOR CITIZENS

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SPECIAL COMMITTEE ON AGING  
UNITED STATES SENATE



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## FOREWORD

For the first time in our history a President of the United States has sent to the Congress a special message on the needs and interests of the elderly.

This message reflects the concern of the President, the concern of this special committee, and the growing concern and interest of the Nation in a part of our population long disadvantaged.

The White House Conference of 1961, the past work of this committee, the work of the President's Council on Aging and of the Special Staff on Aging (now the Office of Aging) of the Department of Health, Education, and Welfare have developed a great body of information on the problems of older people and the contributions older people can make to our society.

To this background of effort and information, the President's message has now added coordination and a sense of urgency. It has lifted the hearts of the elderly throughout the Nation, for the President has seen clearly, and has been able to make the country see, not only the problems which the elderly face but the resource of wisdom, experience, and seasoned judgment they can offer.

The heart of any program designed to provide services to older people, to offer opportunities to them, and to ask them for service, must be in their home community.

The President's message recognizes this central position and responsibility of States and communities, local agencies, and institutions, in the planning and administering of programs.

The President and this committee recognize also that States and localities vary greatly in their capacities and resources. Because the need is so extensive and in many ways complex, there is a Federal responsibility to assist States and the communities in their efforts.

The program for senior citizens submitted to the Congress by the President involves some 36 legislative and administrative proposals.

I believe that the President's message and the compilation of background fact sheets with respect to this program will be of assistance to all concerned with the well-being of the senior citizens of this Nation.

The compilation of this material is designed solely to be of assistance in making a determination for legislative purposes, and is not to be construed as endorsing in whole or in part any of the recommendations.

GEORGE A. SMATHERS,  
*Chairman, Special Committee on Aging.*

ELDERLY CITIZENS OF OUR NATION

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MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

THE ELDERLY CITIZENS OF OUR NATION

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FEBRUARY 21, 1963.—Referred to the Committee of the Whole House on the State of the Union and ordered to be printed

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*To the Congress of the United States:*

On the basis of his study of the world's great civilizations, the historian Toynbee concluded that a society's quality and durability can best be measured "by the respect and care given its elderly citizens." Never before in our history have we ever had so many "senior citizens." There are present today in our population 17½ million people aged 65 years or over, nearly one-tenth of our population—and their number increases by 1,000 every day. By 1980, they will number nearly 25 million. Today there are already 25 million people aged 60 and over, nearly 6 million aged 75 and over, and more than 10,000 over the age of 100.

These figures reflect a profound change in the composition of our population. In 1900, average life expectancy at birth was 49 years. Today more than 7 out of 10 newborn babies can expect to reach age 65. Life expectancy at birth now averages 70 years. Women 65 years old can now expect to live 16 more years, and men 65 years old can expect to live 13 additional years. While our population has increased 2½ times since 1900, the number of those aged 65 and over has increased almost sixfold.

This increase in the lifespan and in the number of our senior citizens presents this Nation with increased opportunities: the opportunity to draw upon their skill and sagacity and the opportunity to provide the respect and recognition they have earned. It is not enough for a great

nation merely to have added new years to life—our objective must also be to add new life to those years.

In the last three decades, this Nation has made considerable progress in assuring our older citizens the security and dignity a lifetime of labor deserves. But "the last of life, for which the first was made \* \* \*" is still not a "golden age" for all our citizens. Too often, these years are filled with anxiety, illness, and even want. The basic statistics on income, housing, and health are both revealing and disturbing:

The average annual income received by aged couples is half that of younger two-person families. Almost half of those over 65 living alone receive \$1,000 or less a year, and three-fourths receive less than \$2,000 a year. About half the spending units headed by persons over 65 have liquid assets of less than \$1,000. Two-fifths have a total net worth, including their home, of less than \$5,000. The main source of income for the great majority of those above 65 is one or more public benefit programs. Seven out of ten—12.5 million persons—now receive social security insurance payments, averaging about \$76 a month for a retired worker, \$66 for a widow, and \$129 for an aged worker and wife. One out of eight—2¼ million people—are on public assistance, averaging about \$60 per month per person, supplemented by medical care payments averaging about \$15 a month.

A far greater proportion of senior citizens live in inferior housing than is true of the houses occupied by younger citizens. According to the 1960 census, one-fourth of those aged 60 and over did not have households of their own but lived in the houses of relatives, in lodging houses, or in institutions. Of the remainder, over 30 percent lived in substandard housing which lacked a private bath, toilet, or running hot water or was otherwise dilapidated or deficient, and many others lived in housing unsuitable or unsafe for elderly people.

For roughly four-fifths of those older citizens not living on the farm, housing is a major expense, taking more than one-third of their income. About two-thirds of all those 65 and over own their own homes—but, while such homes are generally free from mortgage, their value is generally less than \$10,000.

Our senior citizens are sick more frequently and for more prolonged periods than the rest of the population. Of every 100 persons age 65 or over, 80 suffer some kind of chronic ailment, 28 have heart disease or high blood pressure, 27 have arthritis or rheumatism, 10 have impaired vision, and 17 have hearing impairments. Sixteen are hospitalized one or more times annually. They require three times as many days of hospital care every year as persons under the age of 65. Yet only half of those age 65 and over have any kind of health insurance; only one-third of those with incomes under \$2,000 a year have such insurance; only one-third of those age 75 and over have such insurance; and it has been estimated that 10 to 15 percent of the health costs of older people are reimbursed by insurance.

These and other sobering statistics make us realize that our remarkable scientific achievements prolonging the lifespan have not yet been translated into effective human achievements. Our urbanized and industrialized way of life has destroyed the useful and satisfying roles which the aged played in the rural and small-town family society of an earlier era. The skills and talents of our older people are now all too often discarded.

Place and participation, health and honor, cannot, of course, be legislated. But legislation and sensible, coordinated action can en-

hance the opportunities for the aged. Isolation and misery can be prevented or reduced. We can provide the opportunity and the means for proper food, clothing, and housing, for productive employment or voluntary service, for protection against the devastating financial blows of sudden and catastrophic illness. Society, in short, can and must catch up with science.

All levels of government have the responsibility, in cooperation with private organizations and individuals, to act vigorously to improve the lot of our aged. Public efforts will have to be undertaken primarily by the local communities and by the States. But because these problems are nationwide, they call for Federal action as well.

#### RECENT FEDERAL ACTION

In approaching this task, it is important to recognize that we are not starting anew but building on a foundation already well laid over the last 30 years. Indeed, in the last 2 years alone, major strides have been made in improving Federal benefits and services for the aged:

1. The Social Security Amendments of 1961, which increased benefits by \$900 million a year, substantially strengthened social insurance for retired and disabled workers and to widows, and enabled men to retire on social security at age 62. Legislation in 1961 also increased Federal support for old-age assistance, including medical vendor payments.

2. The Community Health Services and Facilities Act of 1961 authorized new programs for out-of-hospital community services for the chronically ill and the aged, and increased Federal grants for nursing home construction, health research facilities, and experimental hospital and medical care facilities. Such programs are now underway in 48 States.

3. The Public Welfare Amendments of 1962 authorized a substantial increase in Federal funds for old-age assistance, reemphasized restorative services to return individuals to self-support and self-care, and provided encouragement for employment by permitting States to allow old-age assistance recipients to keep up to \$30 of his first \$50 of monthly earnings without corresponding reductions in his public assistance payments.

4. The Housing Act of 1961 included provisions for the rapid expansion of housing for our elderly through public housing, direct loans, and FHA mortgage insurance. Commitments in 1961 and 1962 were made for more than 1½ times the number of housing units for older citizens aided in the preceding 5 years.

5. The Senior Citizens Housing Act of 1962 provided low-interest long-term loans and loan insurance to enable rural residents over 62, on farms and in small towns, to obtain or rent new homes or modernize old ones.

6. The new Institute of Child Health and Human Development, which was authorized last year, is expanding programs of research on health problems of the aging.

7. Other new legislation added safeguards on the purchase of drugs which are so essential to older citizens—boosted railroad retirement and veterans' benefits—helped protect private pension funds against abuse and increased recreational opportunities for all.

8. By administrative action we have (a) increased the quality and quantity of food available to those on welfare and other low-income

aged persons, and (b) established new organizational entities to meet the needs and coordinate the services affecting older people:

A new Gerontology Branch in the Chronic Disease Division of the Public Health Service, the first operating program geared exclusively to meeting health needs of the aging and giving particular emphasis to the application of medical rehabilitation to reduce or eliminate the disabling effects of chronic illnesses (such as stroke, arthritis, and many forms of cancer and heart disease) which cannot yet be prevented; and

A new President's Council on Aging, whose members are the Secretaries and heads of eight Cabinet departments and independent agencies administering in 1964 some \$18 billion worth of benefits to people over 65.

These and other actions have accelerated the flow of Federal assistance to the aged; and made a major start toward eliminating the gripping fear of economic insecurity. But their numbers are large and their needs are great and much more remains to be done.

#### I. HEALTH

1. *Hospital insurance.*—Medical science has done much to ease the pain and suffering of serious illness; and it has helped to add more than 20 years to the average length of life since 1900. The wonders worked in a modern American hospital hold out new hopes for our senior citizens. But, unfortunately, the cost of hospital care—now averaging more than \$35 a day, nearly four times as high as in 1946—has risen much faster than the retired worker's ability to pay for that care.

Illness strikes most often and with its greatest severity at the time in life when incomes are most limited; and millions of our older citizens cannot afford \$35 a day in hospital costs. Half of the retired have almost no income other than their social security payments—averaging \$70 a month per person—and they have little in the way of savings. One-third of the aged family units have less than \$100 in liquid assets. One short hospital stay may be manageable for many older persons, with the help of family and savings; but the second—and the average person can expect two or three hospital stays after age 65—may well mean destitution, public or private charity, or the alternative of suffering in silence. For these citizens, the miracles of medical science mean little.

A proud and resourceful nation can no longer ask its older people to live in constant fear of a serious illness for which adequate funds are not available. We owe them the right of dignity in sickness as well as in health. We can achieve this by adding health insurance—primarily hospitalization insurance—to our successful social security system.

Hospital insurance for our older citizens on social security offers a reasonable and practical solution to a critical problem. It is the logical extension of a principle established 28 years ago in the social security system and confirmed many times since by both Congress and the American voters. It is based on the fundamental premise that contributions during the working years, matched by employers' contributions, should enable people to prepay and build earned rights and benefits to safeguard them in their old age.



There are some who say the problem can best be solved through private health insurance. But this is not the answer for most; for it overlooks the high cost of adequate health insurance and the low incomes of our aged. The average retired couple lives on \$50 a week, and the average aged single person lives on \$20 a week. These are far below the amounts needed for a modest but adequate standard of living, according to all measures. The cost of broad health insurance coverage for an aged couple, when such coverage is available, is more than \$400 a year—about one-sixth of the total income of an average older couple.

As a result, of the total aged population discharged from hospitals, 49 percent have no hospital insurance at all and only 30 percent have as much as three-fourths of their bills paid by insurance plans. (Comparable data for those under 65 showed that only 30 percent lacked hospital insurance, and that 54 percent had three-fourths or more of their bills paid by insurance.) Prepayment of hospital costs for old age by contributions during the working years is obviously necessary.

Others say that the children of aged parents should be willing to pay their bills; and I have no doubt that most children are willing to sacrifice to aid their parents. But aged parents often choose to suffer from severe illness rather than see their children and grandchildren undergo financial hardship. Hospital insurance under social security would make it unnecessary for families to face such choices—just as old-age benefits under social security have relieved large numbers of families of the need to choose between the welfare of their parents and the best interests of their children.

Others may say that public assistance or welfare medical assistance for the aged will meet the problem. The welfare medical assistance program adopted in 1960 now operates in 25 States and will provide benefits in 1964 to about 525,000 persons. But this is only a small percentage of those aged individuals who need medical care. Of the 111,700 persons who received medical assistance for the aged in November, more than 70,000 were in only three States: California, Massachusetts, and New York.

Moreover, 25 States have not adopted such a program, which is dependent upon the availability each year of State appropriations; upon the financial condition of the States, and upon competition with many other calls on State resources. As a result, coverage and quality vary from State to State. Surely it would be far better and fairer to provide a universal approach, through social insurance, instead of a needs test program which does not prevent indigency, but operates only after indigency is created. In other words, welfare medical assistance helps older people get health care only if they first accept poverty and then accept charity.

Let me make clear my belief that public assistance grants for medical care would still be necessary to supplement the proposed basic hospitalization program under social security—just as old-age assistance has supplemented old-age and survivors insurance. But it should be regarded as a second line of defense. Our major reliance must be to provide funds for hospital care of our aged through social insurance, supplemented to the extent possible by private insurance.

The hospital insurance program achieves two basic objectives. First, it protects against the principal component of the cost of a serious illness. Second, it furnishes a foundation upon which supple-

mentary, private programs can and will be built. Together with retirement, disability, and survivors insurance benefits, it will help eliminate privation and insecurity in this country.

For these reasons, I recommend a hospital insurance program for senior citizens under the social security system which would pay (1) all costs of inpatient hospital services for up to 90 days, with the patient paying \$10 a day for the first 9 days and at least \$20, or, for those individuals who so elect, all such costs for up to 180 days with the patient paying the first 2½ days of average costs, or all such costs for up to 45 days; (2) all costs of care in skilled nursing home facilities affiliated with hospitals for up to at least 180 days after transfer of the patient from a hospital; (3) all costs above the first \$20 for hospital outpatient diagnostic services; and (4) all costs of up to 240 home health-care visits in any one calendar year by community visiting nurses and physical therapists. Under this plan, the individual will have the option of selecting the kind of insurance protection that will be most consistent with his economic resources and his prospective health needs—45 days with no deductible, 90 days with a maximum \$90 deductible, or 180 days paying a “deductible” equal to 2½ days of average hospital costs. This new element of freedom of choice is a major improvement over bills previously submitted.

These benefits would be available to all aged social security and railroad retirement beneficiaries, with the costs paid from new social insurance funds provided by adding one-quarter of 1 percent to the payroll contributions made by both employers and employees and by increasing the annual earnings base from \$4,800 to \$5,200.

Hospitals, skilled nursing facilities, and community health-service organizations would be paid for the reasonable costs of the services they furnished. There would be little difference between the procedures under the proposed program and those already set up and accepted by hospitals in connection with Blue Cross programs.

Procedures would be developed, utilizing professional organizations and State agencies, for accrediting hospitals and for assisting non-accredited hospitals and nursing facilities to become eligible to participate.

I also recommend a transition provision under which the benefits would be given to those over 65 today who have not had an opportunity to participate in the social security program. The cost of providing these benefits would be paid from general tax revenues. This provision would be transitional inasmuch as 9 out of 10 persons reaching the age of 65 today have social security coverage.

The program I propose would pay the costs of hospital and related services but it would not interfere with the way treatment is provided. It would not hinder in any way the freedom of choice of doctor, hospital, or nurse. It would not specify in any way the kind of medical or health care or treatment to be provided by the doctor.

Health insurance for our senior citizens is the most important health proposal pending before the Congress. We urgently need this legislation—and we need it now. This is our No. 1 objective for our senior citizens.

2. *Improvements in medical care provisions under public assistance.*—The public assistance medical aid program should, as I have said, serve as a supplement to health insurance. I have asked the Department of Health, Education, and Welfare to continue its efforts to encourage those States that have not already established programs

for the medically indigent aged to do so promptly. I also urge those States which now have incomplete programs to expand them to give the medically needy aged all the help they need.

In addition, the basic welfare law authorizing medical care for those on old-age assistance should now be strengthened:

(a) First, in a few States—six at this time—the scope of medical care available to the neediest group of aged persons, those on old-age assistance, is more limited than that which is available to the new category established by the Kerr-Mills Act: the “medically indigent,” those aged persons who only require assistance in meeting their medical care costs. This is unfair. Accordingly, I recommend that Federal law require the States to provide medical protection for their aged receiving old-age assistance at least equal to that provided to those who are only medically indigent.

(b) Second, under present law, Federal old-age assistance grants may be used by a State to provide medical care in a general hospital only up to 42 days for a person suffering from mental illness or tuberculosis. This forces transfer of individuals who need hospitalization for longer periods to State institutions, normally outside the community. In my recent message on mental illness and mental retardation, I proposed that mentally ill and mentally retarded persons should, insofar as possible, receive care in community hospitals and facilities—where their prospects for treatment and restoration to useful life are far better than in the often-obsolete custodial State institutions. Accordingly, in order to help improve the States’ financial capacity to provide these aged with care in their own communities for longer periods, I recommend that the 42-day limitation be eliminated.

3. *Nursing homes.*—As a larger proportion of our growing aged population reaches advanced ages, the need for long-term care facilities is rapidly rising. The present backlog of need is staggering. Enactment of the hospital insurance bill will increase that need still further. In my message on improving American health, I recommended—and again urge—amendment of the Hill-Burton Act to increase the appropriation authorization for high quality nursing homes from \$20 million to \$50 million.

4. *Other important health legislation.*—We not only need a better way for the aged to pay for their health costs; we also need more physicians, dentists, and nurses, and more modern hospitals as well as nursing homes, so that our senior citizens, and all our people, can continue to have the best medical care in the world. Older people need and use more medical facilities and services than any other age group. For that reason, I again urge enactment of previously recommended legislation authorizing (1) Federal matching funds for the construction of new and the expansion or rehabilitation of existing teaching facilities for the medical, dental, and other health professions; (2) Federal financial assistance for students of medicine, dentistry, and osteopathy; (3) revision of the Hill-Burton hospital construction program to enable hospitals to modernize and rehabilitate their facilities; and (4) Federal legislation to help finance the cost of constructing and equipping group practice medical and dental facilities.

5. *Food and drug protection for the elderly.*—Measures which safeguard consumers against both actual danger and monetary loss resulting from frauds in sales of unnecessary or worthless dietary preparations, devices, and nostrums are especially important to the

elderly. It has been estimated that consumers waste \$500 million a year on medical quackery and another \$500 million annually on some "health foods" which have no beneficial effect. The health of the aged is in jeopardy from harmful and useless products and they are unable to bear the financial loss from worthless products.

Unnecessary deaths, injuries, and financial loss to our senior citizens can be expected to continue until the law requires adequate testing for safety and efficacy of products and devices before they are made available to consumers. I therefore again urge that the Congress extend the provisions of the Food, Drug, and Cosmetic Act of 1938 to include testing of the safety and effectiveness of therapeutic devices, to extend existing requirements for label warnings to include household articles which are subject to the Food, Drug, and Cosmetic Act, and to extend adequate factory inspection to foods, over-the-counter drugs, devices, and cosmetics.

Recent hearings conducted by Senator McNamara and his Special Committee on Aging have highlighted certain commercial practices of a small portion of industry which sold worthless and ineffective merchandise to all segments of our society, and particularly to the aged. This is an abuse of the public trust. Consequently, the Secretary of Health, Education, and Welfare will take necessary steps to expand measures to supply consumers, and particularly aged consumers, with information which will enable them to make more informed choices in purchasing foods and drugs.

## II. TAX BENEFITS

The tax program I recently submitted to the Congress will, by calendar year 1965, reduce Federal income tax liabilities for an estimated 3.4 million persons aged 65 and over by \$790 million. An estimated \$470 million of this reduction will arise from the general rate reductions and certain other provisions affecting the aged. The other \$320 million reduction results from the replacement of the present complicated retirement income credit and extra exemption with a flat \$300 tax credit.

These changes simplify and equalize the tax provisions for the aged, increase incentives for employment, assist those who need help most, and give relief in meeting medical and drug costs. Under current law, many inequities exist in the manner in which different groups of our older citizens are treated. For example, because wage income is taxed more heavily than pensions or other retirement income, employment is discouraged. The retirement income credit for the aged is one of the most complicated sections of the entire Internal Revenue Code.

I have recommended the substitution of a \$300 tax credit for each person over age 65 in place of the extra exemption and retirement income credit. In addition, the limits on medical expense deductions would be eliminated and the present provision which limits deductible drug costs to those in excess of 1 percent of income repealed.

These proposals would benefit older taxpayers who are employed by greatly reducing the unfairness in taxation of income from different sources. At present, for instance, a couple 65 or over with an income of \$5,000 using the standard deduction would pay a tax of \$420 if their income was in salaries or wages, but only \$31 if the \$5,000 was made up of \$1,200 from earnings, \$1,800 from social security, and

\$2,000 from a private pension. Under my proposals, in neither case would the couple pay any tax whatsoever.

Furthermore, at present the maximum retirement income, on which the retirement income credit is based, must be reduced by the full amount of social security benefits. Under the new proposal, the \$300 credit would also be reduced to take account of social security, but only half of the amount of such benefits would be used in calculating the reduction. Social security, railroad retirement, and other tax-free pensions would remain tax free.

These changes are of particular benefit to elderly persons in the low and middle income brackets. At present, an elderly person can be taxed if his income exceeds as little as \$1,333. The new tax proposals raise this level so that no single person 65 or over would pay tax until his income exceeds \$2,900. An elderly couple would pay taxes only on income over \$5,788, as opposed to the current \$2,667. These increases in exemption of income, combined with the lower rates now proposed, save as much as \$284 in reduced taxes for a single person and as much as \$560 for a couple.

Roughly half of the \$320 million reduction in taxes paid by older persons which would be made possible by the new \$300 credit would go to those with incomes below \$5,000; 97 percent would go to those with incomes of less than \$10,000. Of the total \$790 million tax benefit which will accrue to the aged as a result of all tax recommendations, both reductions and reforms, approximately 90 percent will go to those three out of every four elderly taxpayers who receive income from employment or self-employment. I again urge that the Congress give favorable consideration to these tax provisions benefiting our aged citizens.

### III. ECONOMIC SECURITY

1. *Improvements in social security insurance.*—The OASDI system is the basic income maintenance program for our older people. It serves a vital purpose. But it must be kept up to date.

My recommendation for financing hospital insurance under social security—by increasing the maximum taxable wage base, on which benefits are computed, from \$4,800 to \$5,200 a year—will automatically provide an improvement in future OASDI cash benefits for millions of workers, raising the ultimate maximum monthly benefits payable to a worker from \$127 to \$134, and for a family from \$254 to \$268.

For the average regularly employed man the social security wage base has become a smaller and smaller portion of his earnings, and his insurance against the loss of employment income upon retirement, death, or disability is thus declining steadily. Today only 39 percent of all regularly employed men have all of their earnings counted under the \$4,800 ceiling. It is generally agreed that the earnings base needs to be adjusted from time to time as earnings levels rise, and the Congress has done so in the past. Raising the wage base to \$5,200 will still only cover the total wages of about 50 percent of regularly employed men. This increase in the social security wage base is sound, beneficial, and necessary.

The entire relationship between benefits and wages, however, needs to be reexamined. As required by the Social Security Act, the Secretary of Health, Education, and Welfare will soon appoint an Advisory Council on Social Security Financing. I am directing him to charge

this Council with the obligation to review the status of the social security trust funds in relation to the long-term commitments of the social security program, and to study and report on extensions of protection and coverage at all levels of earnings, the adequacy of benefits, the desirability of improving the present retirement test, and other related aspects of the social security system. The results of the Council's work should provide a sound basis for continued improvement of the program, keeping it abreast of changes in the economy.

2. *Improvements in old-age assistance.*—In the fiscal year 1964 the Federal Government will provide grants to the States of about \$1.5 billion under the old-age assistance program. I recommend three improvements in the equity and effectiveness of this program, in addition to the two medical payments changes previously mentioned:

First, under existing Federal law, States are permitted to require up to 5 years' residence for eligibility under the old-age assistance program. Currently, 20 States impose the maximum 5-year requirement, 3 States require fewer than 5 years but more than 1, and the remaining States require 1 year or less.

Lengthy residence requirements are an unnecessary restriction on elderly people receiving public assistance who would like to move to another State to be near a child or other relative. Others in need, not previously receiving such assistance, find themselves in a "no man's land," with no aid at all and no place to turn because they have not lived long enough in the State of their present residence. To insure that our Federal-State public assistance program can help all of our needy aged, I recommend that the maximum period of residence which may be required for eligibility be gradually reduced to 1 year by 1970. This change does not represent an expansion of the program or a significant cost to the Federal Government or any individual State; and it will simplify administration by eliminating many detailed investigations of residence.

Second, a problem of increasing proportions found among our needy citizens is the difficulty some have in properly handling the money which they receive from a public welfare agency. Of the more than 2 million recipients of old-age assistance, over half are 75 years or older, 1 in 3 is 80 or more, and 1 in 8 is over 85. One-third are confined to their homes or require help from others because of physical or mental disability and almost 9 percent are in nursing homes and other institutions. Among this group some lose their assistance payments through forgetfulness; others are defrauded by unscrupulous persons. Obviously many of these aged beneficiaries who are not in need of legal guardians, should nevertheless have help in handling their money; yet current provisions of the Federal law tend to make it difficult for States to provide necessary protective services.

I therefore recommend that the old-age assistance program be modified to permit Federal participation in protective payments made to a third party in behalf of needy aged individuals. This would be comparable to provisions adopted last year for dependent children.

Third, many of our older people, with very limited income, live in rental housing which falls far short of any reasonable standard of health or safety. As mentioned earlier, among households headed by a person 65 years of age or over who live in rented housing, nearly 40 percent are in quarters classified as substandard. Yet they are frequently charged exorbitant rents for this housing.

It is estimated that old-age assistance payments presently going into payments of rent equal some half a billion dollars a year—a fourth of the \$2 billion total that is expended in Federal, State, and local funds for all old-age assistance. These funds should not subsidize substandard housing. The establishment of State rental housing standards is long overdue. I therefore recommend that, as a condition for receiving Federal grants for old-age assistance, a State's plan must establish and maintain standards of health and safety for housing rented to recipients of old-age assistance. There is a precedent for such a plan requirement in the 1950 legislation which required the establishment of similar standards for institutions.

#### IV. EMPLOYMENT OPPORTUNITIES

The Nation's economic development, coupled with the growth of its social insurance and private pension plans, has brought to our aged deserved opportunities for leisure and retirement. While the number of persons 65 and over has almost doubled since 1940, only 13 percent are now in the labor force—half the 1940 percentage.

Retirement, however, should be through choice, not through compulsion due to the lack of employment opportunities. For many of our aged, social security and retirement benefits are not a satisfactory substitute for a pay check. Many of those who are able to work need to work and want to work. But, often knowingly and sometimes unwittingly, industrialization and related social and economic trends have progressively limited the possibilities for gainful employment for many of our older citizens. The gradual decline in agricultural employment, for example, has reduced the traditional job opportunities which farming once provided for older persons. Employment in the expanding sectors of our economy is too often attended by compulsory retirement programs or by age discrimination practices. Older workers, if not protected by seniority, are among the first to be laid off—and men 65 and older are twice as likely to remain unemployed for 26 weeks or more as are other unemployed workers.

Denial of employment opportunity to older persons is a personal tragedy. It is also a national extravagance, wasteful of human resources. No economy can reach its maximum productivity while failing to use the skills, talents, and experience of willing workers.

Rules of employment that are based on the calendar rather than upon ability are not good rules, nor are they realistic. Studies of the Department of Labor show that large numbers of older workers can exceed the average performance of younger workers, and with added steadiness, loyalty, and dependability.

In the Federal Government a number of steps are being taken to facilitate employment opportunities for older workers.

I am directing each agency to honor fully both the spirit and the letter of official Federal policy to evaluate each older applicant or employee on the basis of ability, not age. I am asking all Federal agencies to review their current policies and practices in order to insure that full consideration is given to the skills and experience of older workers. I urge all employers, private and public, to adopt a similar policy.

I have recommended that Congress increase the funds for the Federal-State Employment Service so that the strengthening and expansion of its counseling and placement services, started in the first

year of this administration, may be continued. The public employment offices will continue to give special attention to promoting employment and employment prospects for older workers.

I have also recommended a substantial expansion in funds for the training programs under the Manpower Development and Training Act and the Area Redevelopment Act—both enacted within the past 2 years. The Secretary of Labor will launch this year a series of experimental and demonstration programs designed to assist older workers to make the best possible use of training opportunities in their communities and to test new classroom and counseling techniques.

These efforts are only a bare beginning. Our Nation must undertake an imaginative and far-reaching effort—in both the public and private sectors of our society—for the development of new approaches and new paths to the employment of older citizens. This will require a sharp new look at retirement and personnel patterns, part-time work opportunities, restrictive pension plans, possible incentives to employers, and a host of other traditional or future practices. To give impetus to this nationwide reappraisal, I propose two immediate actions.

First, I recommend legislation to establish a new 5-year program of grants for experimental and demonstration projects to stimulate needed employment opportunities for our aged. The Federal Government through the Department of Labor would provide up to \$10 million per year on a matching basis to State and local governments or approved nonprofit institutions for experiments in the use of elderly persons in providing needed services. They would be employed in such activities as school lunch hour relief, child care in centers for working mothers, home care for invalids, and assistance in schools, vocational training, and programs to prevent juvenile delinquency. Precautions would be taken to insure that no project would result in any displacement of present employees and that wages would be reasonably consistent with those for comparable work in the locality.

Second, I have directed the President's Council on Aging, in consultation with private organizations and citizens, to undertake a searching reappraisal of problems of employment opportunities for the aged and to report to me by October 31, 1963, on what action is desirable and necessary.

In addition, voluntary service by older persons can both demonstrate their continued skill and provide useful activity for those retired from gainful employment but anxious to make use of their talents. Enactment of the National Service Corps recommended last week is urged again as a constructive opportunity for senior citizens to serve their local communities.

This program would provide an ideal outlet for those whose energy, idealism, and ability did not suddenly end in retirement. In the labor force in 1960, there were more than 6½ million men and women 60 years of age or older. They included 126,000 public school teachers, 25,000 lawyers, 3,000 dietitians and nutritionists, 18,000 college faculty members, 12,000 social welfare and recreation workers, 11,000 librarians, 32,000 physicians and surgeons, and 43,000 professional nurses. Many of these people have now retired. Others are ready to retire or would retire if they saw further useful career activity ahead.

The Peace Corps, which has no upper age limit, has already drawn upon this reservoir of talent—and corpsmen in their sixties and seventies are today serving with distinction in Africa, Asia, and South



America. More are needed. The proposed National Service Corps can also use retired men and women to good advantage. Retired teachers, for example, have the freedom which would enable them to travel with migrant workers who are not in a community long enough to enter their children in school. The patience that comes with age will be an asset in work with the mentally retarded and the mentally ill. This program can be particularly helpful to, and helped by, our older citizens.

#### V. HOUSING

Adequate housing is essential to a full, satisfying life for all age groups in our population. The elderly have special needs for housing designed to sustain their independence even when disability occurs, and to promote dignity, self-respect, and usefulness in later years. Yet millions of older people are forced to live in inferior homes because they cannot find or afford better. Nearly half of our people 65 and older, it has been estimated, live in substandard housing or in housing unsuited to their special needs.

In the past 2 years the Congress and the executive branch have taken major strides to assist in providing housing specially designed for the elderly. Under the three special programs administered by the Housing and Home Finance Agency—mortgage insurance, direct loans, and public housing—commitments have been issued for the construction of 49,000 units of specially designed housing for the elderly. This almost tripled the total investment in special housing for the aged aided by the Federal Government, raising it from \$336 million at the end of calendar 1960 to \$950 million at the end of 1962.

The following steps are essential this year:

(a) *Direct loan assistance.*—The direct loan program for housing for senior citizens is rapidly using up all available funds under existing appropriations and authorizations. Moreover, no appropriation has yet been made to put into operation the new authority provided last fall to the Secretary of Agriculture to make loans for rental housing in rural areas for elderly persons and families of low and moderate incomes.

To expand the Federal contribution toward meeting the housing needs of senior citizens through direct loans I have included in the 1964 budget a supplemental appropriation for fiscal 1963 and requested a further increase of \$125 million for 1964 in appropriations for the Housing and Home Finance Agency. I have also requested a supplemental appropriation of \$5 million for 1963 to initiate the new rental housing program for elderly persons in rural areas and requested an additional \$5 million for 1964. I urge favorable consideration of these requests.

(b) *Group residential facilities.*—For the great majority of the Nation's older people the years of retirement should be years of activity and self-reliance. A substantial minority, however, while still relatively independent, require modest assistance in one or more major aspects of their daily living. Many have become frail physically and may need help in preparing meals, caring for living quarters, and sometimes limited nursing.

This group does not require care in restorative nursing homes or in terminal custodial facilities. They can generally walk without assistance, eat in a dining room, and come and go in the community with considerable independence. They want to have privacy, but also

community life and activity within the limits of their capacity. They do not wish to be shunted to an institution, but often they have used up their resources, and family and friends are not available for support. What they do need most is a facility with housekeeping assistance, central food service, and minor nursing from time to time. The provision of such facilities would defer for many years the much more expensive type of nursing home or hospital care which would otherwise be required.

To meet the special needs of this group, facilities have been constructed in many communities, and many more should be constructed. Such buildings can be small, with facilities for group dining, recreation, and health services; and they should be integrated with the various community resources which can sustain and encourage independent living as long as possible. I am requesting (a) that the Housing and Home Finance Administrator give greater emphasis to the construction of group residences suitable for older families and individuals who need this partial personal care, and (b) that the Secretary of Health, Education, and Welfare, using the funds under the proposed Senior Citizen's Act and other resources already available to his Department, work with communities to assure that health and social services are provided efficiently for the residents of such facilities in accordance with comprehensive local plans.

(c) *Eligibility of single elderly persons for moderate income housing.*—One of the new programs authorized by the Housing Act of 1961 which is already achieving substantial success finances rental housing, at below-market rates of interest, for families whose incomes are not low enough to qualify for public housing, but not high enough to afford housing financed on private market terms. This program is providing good housing to many moderate income families of all ages caught in the income squeeze. However, under the law it is limited to families; single persons are not included. About half of America's senior citizens are in a single or widowed status and therefore cannot obtain the benefits of such housing. Modification of this program is needed if it is to serve them. I recommend that the Congress amend the law to make single elderly persons eligible, if they otherwise qualify, to live in housing financed under section 221(d)(3) of the National Housing Act.

(d) *Home financing.*—Many of the homes of our older citizens require modernization or rehabilitation. Other older citizens need or prefer to sell their homes and realize their investment in it. Unfortunately, such actions too often involve a substantial financial sacrifice. I am directing the President's Council on Aging to study these problems and develop a program to assist older citizens with the modernization, rehabilitation, or sale of their individually owned homes, such program to be submitted to me by October 31 of this year.

## VI. COMMUNITY ACTION

The heart of our program for the elderly must be opportunity for and actual service to our older citizens in their home communities. The loneliness or apathy which exists among many of our aged is heightened by the wall of inertia which often exists between them and their community.

We must remove this wall by planned, comprehensive action to stimulate or provide not only opportunities for employment and

community services by our older citizens but the full range of the various facilities and services which aged individuals need for comfortable and meaningful life. I believe that in each State government specific responsibility should be clearly assigned for stimulating and coordinating programs on aging; and that every locality of 25,000 population or above should make similar provision, possibly in the form of a community health and welfare council with a strong section on aging.

The Federal Government can assume a significant leadership role in stimulating such actions. To do this, I recommend a 5-year program of assistance to State and local agencies and voluntary organizations for planning and developing services; for research, demonstration, and training projects leading to new or improved programs to aid older people; and for construction, renovation, and equipment of public and nonprofit multipurpose activity and recreational centers for the elderly.

The assistance to be provided under this legislation will not duplicate other grant programs; indeed, it will make possible the more effective use of grants for such purposes as health, housing, and other services. Developing a comprehensive community plan will enable communities to discover where gaps exist, where unnecessary duplications lie, where health grants are most needed, and where sound social service or adult education or senior housing developments should be strengthened.

Among the demonstration projects which can be developed under this program would be the establishment of single, one-stop centralized information and referral offices, to avoid the need of an aged person seeking assistance from as many as a dozen agencies before finding the particular service or combination of services he needs—and the construction of multipurpose activity centers providing older people with educational experiences promoting health, literacy, and mental alertness, with information concerning available community services, and with an opportunity to volunteer for helping others in a variety of community programs.

This legislation is of real importance to our older citizens, and to the State and local agencies which can be strengthened by it. I strongly urge its enactment.

#### VII. OTHER LEGISLATION

Other measures previously recommended and not specifically designed for older citizens can be of immense benefit to them. For example:

Too many senior citizens are wasting away in obsolete mental institutions without adequate treatment or care. The mental health program previously recommended can help restore many of them to their communities and homes.

Too many elderly people with small incomes skimp on food at a time when their health requires greater quantity, variety, and balance in their diets. The pilot food stamp program recommended in my farm message could improve their nutrition and health.

Of the more than 17½ million persons aged 65 and over, about 14 million did not finish high school, some 6 million of these did not finish grade school, and over 1 million received no education at all. The comprehensive educational program previously recommended would encourage Federal-State programs of general university extension for

those previously unable to take college courses, and adult basic education for those who are considered to be functionally illiterate. The largest percentage of illiteracy still existing in this country is found among men and women 65 and over. To gain the ability to read and write could bring them a new vision of the world in their later years. Increased library services provided under this program would also be of particular interest to older people.

Finally, the District of Columbia should make every effort to take full advantage of Federal legislation aiding senior citizens. There is no reason why the District of Columbia should not be a leader and a model in its community senior citizen program.

#### CONCLUSION

Our aged have not been singled out in this special message to segregate them from other citizens. Rather, I have sought to emphasize the important values that can accrue to us as a nation if we would but recognize fully the facts concerning our older citizens—their numbers, their situation in the modern world, and their unutilized potential.

Our national record in providing for our aged is a proud and hopeful one. But it can and must improve. We can continue to move forward by building needed Federal programs, by developing means for comprehensive action in our communities, and by doing all we can, as a nation and as individuals, to enable our senior citizens to achieve both a better standard of life and a more active, useful and meaningful role in a society that owes them much and can still learn much from them.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 21, 1963.*

## FACT SHEETS ON THE MAJOR RECOMMENDATIONS IN THE PRESIDENT'S MESSAGE ON OLDER PEOPLE

- HOSPITAL INSURANCE ACT OF 1963**—A program to provide financial protection to all older people against the major costs of hospital care and related health services (fact sheet No. 1).
- EQUAL MEDICAL CARE SERVICES UNDER MEDICAL ASSISTANCE TO THE AGED AND OLD-AGE ASSISTANCE**—A proposal to require that a State plan provide for at least as much medical care for those on old-age assistance as is available in that State under medical care for the aged (Kerr-Mills) (fact sheet No. 2).
- REMOVAL OF THE 42-DAY LIMITATION ON CARE FOR MENTAL ILLNESS AND TUBERCULOSIS IN GENERAL MEDICAL INSTITUTIONS**—A proposal to permit States to use Federal funds to provide care in general hospitals for mentally ill or tuberculous patients beyond the present limit of 42 days (fact sheet No. 3).
- INCREASED FUNDS FOR THE CONSTRUCTION OF NURSING HOMES**—A proposed change in the Hill-Burton hospital construction program to increase funds available for nursing homes to provide needed facilities for older people not requiring intensive hospitalization (fact sheet No. 4).
- CONSUMER PROTECTION—"THERAPEUTIC" DEVICES**—A proposed requirement that manufacturers prove such devices to be both safe and effective before marketing as a further protection to older people and others against medical quackery (fact sheet No. 5).
- CONSUMER PROTECTION—CAUTIONARY LABELING OF HAZARDOUS ARTICLES FOR USE IN THE HOME**—A requirement that would bring additional products under the protective labeling authority of the Food and Drug Administration (fact sheet No. 6).
- CONSUMER INFORMATION ON CHOICE OF FOOD AND DRUGS**—An expanded program to inform people generally and older people particularly about economic cheats and health risks of nostrums and quack products (fact sheet No. 7).
- THE TAX PROGRAM FOR THE AGED**—The benefits of the President's proposed tax program to older people (fact sheet No. 8).
- EVALUATION OF SOCIAL SECURITY BENEFITS AND FINANCING**—A comprehensive new study of the total social security system, to be started this year (fact sheet No. 9).
- REDUCTION OF OLD-AGE ASSISTANCE RESIDENCE REQUIREMENTS TO 1 YEAR**—A proposed progressive reduction of the 5-year residence requirement permitted in the present law (fact sheet No. 10).
- PROTECTIVE SERVICES FOR OLD-AGE ASSISTANCE RECIPIENTS**—A proposal to permit third-party payments to older public assistance recipients who are too incapacitated to handle their own money (fact sheet No. 11).
- STANDARDS IN HOUSING OCCUPIED BY OLD-AGE ASSISTANCE RECIPIENTS**—A proposal to require that State plans provide for the establishment of minimum standards of rental housing for those on old-age assistance (fact sheet No. 12).
- EXPANDING EMPLOYMENT OPPORTUNITIES**—A proposal for research and demonstration projects and other measures to promote useful employment for older workers (fact sheet No. 13).
- FEDERAL-STATE ACTION TO COMBAT AGE DISCRIMINATION IN EMPLOYMENT**—A new directive by the President to all Federal agencies to consider job applicants and employees on the basis of ability, not age, and a call to all employers to follow similar policies (fact sheet No. 14).
- NATIONAL SERVICE CORPS**—The role of older people as both beneficiaries and participants (fact sheet No. 15).
- CONTINUED FUNDS FOR DIRECT LOANS FOR MODERATE RENTAL HOUSING**—A proposed extension of the present program to provide additional rental housing for older people (fact sheet No. 16).
- HOUSING FOR THE ELDERLY IN RURAL AREAS**—A request for appropriations to permit housing loans for rental to older people in rural areas (fact sheet No. 17).

- CONSTRUCTION OF GROUP-CARE RESIDENCES**—Renewed emphasis on construction of suitable housing for older people needing partial care (fact sheet No. 18).
- INCLUSION OF ELDERLY SINGLE PERSONS IN BELOW-MARKET INTEREST-RATE HOUSING**—A proposed extension of the present program to single elderly people as well as couples (fact sheet No. 19).
- COMMUNITY ACTION GRANT PROGRAM—GRANTS TO STATES FOR PLANNING, COORDINATION, AND DEVELOPMENT OF SERVICES FOR THE ELDERLY**—A proposed program for statewide planning for older people under a single State agency, including community pilot demonstration projects (fact sheet No. 20).
- COMMUNITY ACTION GRANT PROGRAM—DIRECT RESEARCH, DEMONSTRATION, AND TRAINING GRANTS**—A proposed program of direct grants to public and non-profit agencies to support research, demonstration, and training in aspects of aging (fact sheet No. 21).
- COMMUNITY ACTION GRANT PROGRAM—GRANTS FOR CONSTRUCTION OF SENIOR RECREATION AND ACTIVITY CENTERS**—A proposed grant program for the construction of activity and recreation centers for senior citizens (fact sheet No. 22).
- COMMODITY DONATION PROGRAM (SURPLUS FOODS)**—An expansion of the present program of providing surplus food to qualified persons (fact sheet No. 23).
- FOOD STAMP ACT OF 1963**—A progressive extension of the food stamp program to enable more low-income people, particularly older people, to buy more food (fact sheet No. 24).
- ADULT BASIC EDUCATION**—A proposal to enable States to establish basic education courses for adults in the public schools to help end illiteracy and near-illiteracy, particularly prevalent among older people (fact sheet No. 25).
- UNIVERSITY EXTENSION EDUCATION**—A proposal to help State universities and land-grant colleges expand at the college level or above, to enable older citizens to continue their formal education or obtain new professional skills (fact sheet No. 26).
- LIBRARY SERVICES**—A proposed extension of the Library Services Act to include urban as well as rural areas and a proposed library construction grant program (fact sheet No. 27).
- TEACHER PREPARATION**—A proposal to help colleges strengthen courses preparing elementary and secondary school teachers and teachers needing specialized courses, to enable older people to return or to enter the teaching profession (fact sheet No. 28).

### Fact Sheet No. 1

## HOSPITAL INSURANCE FOR OLDER PEOPLE THROUGH SOCIAL SECURITY (AN EXPLANATION OF THE ADMINISTRATION'S PROGRAM)

### BACKGROUND

There are now about 17.5 million people in this country who are 65 or older. Their numbers continue to increase. Most of them have little or no financial protection against serious illness. And they cannot afford protection.

This is their problem: Older people, on the average, have incomes about half those of younger people. At the same time, their need for medical care is about 2½ times that of people under 65.

These are the facts:

Nearly half the aged couples have incomes of less than \$2,500 a year; almost half the aged persons living alone have incomes of less than \$1,000.

About 14 million people 65 and over have incomes so low they do not have to pay Federal income taxes.

Only about half of the aged population have any sort of health insurance, and much of what they have is inadequate with respect to both coverage and benefits.

The greatest single threat to the economic security of older people is the high cost of illness. Nine out of ten who reach 65

will need to go to the hospital at least once—and two out of every three will need hospital care more than once—during their remaining years. Half of the couples over 65 can expect that both the husband and wife will have at least two hospital stays. This means at least four trips to the hospital for half of the aged couples.

When an older person goes to the hospital he will need to remain there, on the average, about twice as long as a younger person.

This is the problem. Most older people will inevitably need medical care, and this will cost them more than they can afford. As a result, illness forces many of them into poverty—a poverty from which there is no escape. Social security benefits and pensions help meet their needs for food, clothing, shelter, and the necessities. But medical bills of \$1,000, \$2,000, or up—which so many aged persons must face sooner or later—cannot be met from their limited incomes.

The cost of medical care for prolonged illness can wipe out the life savings of an aged couple of moderate means and can often result in a major financial drain on their children, who usually have families of their own to bring up.

The problem cannot be solved by private insurance alone. The very medical risks older people face make the cost of adequate private insurance prohibitive for the majority.

Nor is economic tragedy resulting from serious illness prevented by public assistance. Public assistance only helps aged people after they become indigent; it does not prevent them from becoming dependent.

#### PROPOSAL

The President has proposed to Congress the Hospital Insurance Act of 1963, a program to insure older people against the high costs of hospital care and related health services. The program would make it possible for people to build insurance protection in their working years against the high cost of illness in their old age—just as they now build social security protection for themselves and their families against the loss of earnings accompanying old age, disability, or death in the family.

Hospital insurance for the aged through social security, unlike public assistance, would not be based on a means test. On the contrary, its central purpose is to provide insurance protection in old age as a right earned and established during the productive years.

Social security hospital insurance would be provided to all people over 65 who are entitled to social security or railroad retirement benefits. In addition all people now over 65 as well as those becoming 65 in the next few years who do not or will not qualify for social security benefits would be eligible for the health insurance benefits.

The proposed program would provide the following benefits:

(1) Payment of hospital bills. Each person would have a choice of 3 plans—

90 days of hospitalization at a cost to the patient of \$10 a day for the first 9 days, with a minimum of \$20; (or)

45 days of hospital care at no cost to the patient; (or)

180 days of hospital care, with the patient paying either the national average cost for 2½ days or the hospital's customary total charge for the care provided, whichever is less.

The national average cost of 2½ days of hospital care for the first 2 years of the program (1965-66) has been established as \$92.50.

(2) Payment of up to 180 days of skilled nursing home care following discharge from a hospital.

(3) Payment of all costs over and above the first \$20 for each outpatient diagnostic study by a hospital.

(4) Payment of all costs for up to 240 visits a year by visiting nurses and other health workers in the patient's own home.

Benefit payments would cover the cost of all services in semiprivate accommodations, drugs, and supplies customarily furnished for the care of patients in a hospital or skilled nursing facility. No payment would be made for the services of personal physicians and private duty nurses, or luxury items furnished at the request of the patient.

Hospital insurance through social security would be financed by an increase of one-fourth of 1 percent in social security contributions for both employees and employers (0.4 of 1 percent for self-employed persons) and an increase in the taxable earnings base from \$4,800 to \$5,200. Part of the income from the increase in the earnings base will go for higher cash benefits for those earning over \$4,800 a year. The cost of the hospital insurance program to the average worker would be about 25 cents a week.

The cost of hospital insurance provided older people not eligible for social security or railroad retirement benefits would be met from the general revenues of the Federal Government. The hospital insurance program and the additional social security contributions would both go into effect January 1, 1965.

#### WHAT HOSPITAL INSURANCE FOR THE AGED THROUGH SOCIAL SECURITY IS

It is social insurance to help the American people meet the most expensive health care costs they will face in retirement. It is protection built up on a pay-as-you-earn basis—half the cost being met by small payments by the worker when he can best afford it, during his working years and the rest being met by employer contributions. It means protection when people need it most and can least afford it—after the working years are over.

Social security hospital insurance would not be difficult to administer. People over 65 would be given cards much like the cards now provided hospitalization insurance subscribers. And these cards would entitle them to all the benefits of the program. Neither they nor their families would have to prove poverty in order to enter a hospital or nursing home or receive home health care.

Hospitals, skilled nursing facilities, and community health service organizations would bill social security for the reasonable cost of the services they furnished. There would be little difference between the procedures under the proposed program and those already set up and accepted by hospitals in connection with the Blue Cross programs.

Every hospital which is accredited by the joint commission on accreditation of hospitals (a non-Government, professional organiza-



tion) would automatically be able to participate, provided only that it had an arrangement for reviewing the utilization of its services and facilities.

Appropriate State agencies would play an important role in determining which nonaccredited hospitals and which skilled nursing facilities would be eligible to participate. These State agencies would also provide consultative services to those institutions to help them qualify.

#### WHAT HOSPITAL INSURANCE FOR THE AGED THROUGH SOCIAL SECURITY IS NOT

It is not socialized medicine. Nor would it lead to socialized medicine. It is simply a program designed to help older people pay hospital and related health care bills. The Government would not choose the patient's doctor—he would make his own choice of doctor, just as now. The Government would not choose the hospital the older patient used—that would be up to the patient and his doctor, just as now. The Government would neither own nor operate the hospitals.

Doctors would not be employees of the Government—they would continue to practice medicine, just as they do now. The only difference would be that neither the doctor nor the patient would have to worry about how the hospital and nursing home bills were to be paid.

In short social security hospital insurance would not provide health services. It would simply help pay for them.

The proposed hospital insurance through social security—reinforced by private savings and private health insurance and supplemented where necessary by medical care through public assistance—would become the first line of defense against the high cost of illness in old age.

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#### Fact Sheet No. 2

#### EQUAL MEDICAL CARE SERVICES UNDER MEDICAL ASSISTANCE TO THE AGED (MAA) AND OLD-AGE ASSISTANCE (OAA)

##### BACKGROUND

Medical assistance for the aged is intended to help low-income people over 65 who do not receive old-age assistance but cannot meet the cost of medical care. They usually have sufficient income to meet their regular living expenses. OAA recipients, on the other hand, are generally destitute and have at least an equal need for medical care.

However in six States—Tennessee, California, Connecticut, Idaho, Michigan, and South Carolina—OAA recipients receive less medical care than older persons receiving help through MAA. Good public policy seems to require that the most destitute group receive at least as much medical care as the less needy group.

##### PROPOSAL

As a condition of plan approval for old-age assistance and medical assistance for the aged, each State would be required to make available medical services for OAA recipients at least equal to those available under MAA.

Nothing in the proposal would prevent a State from providing more care under old-age assistance than under medical assistance for the aged.

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### Fact Sheet No. 3

#### REMOVAL OF THE 42-DAY LIMITATION ON CARE FOR MENTAL ILLNESS AND TUBERCULOSIS IN GENERAL MEDICAL INSTITUTIONS

##### BACKGROUND

Historically Federal financial participation was not available for assistance to persons who were inmates of public institutions. Under 1950 legislation Federal financial participation became available for the cost of medical care of old-age assistance recipients including—with two exceptions—those who were patients in medical institutions. The legislation excluded patients in tuberculosis hospitals and mental hospitals and persons in general medical institutions because of a diagnosis of psychosis and tuberculosis.

With the passage of time there have been marked changes in the accepted methods of medical management of these two disease conditions.

Tuberculosis death rates have declined markedly. Special State and local tuberculosis hospitals are being closed.

The treatment of mental illness has changed substantially from what it was 10 to 12 years ago. The movement is toward early short-term active therapy in general hospitals. It is reported that there were more psychiatric admissions to general hospitals than there were to special mental institutions in 1961. Over 90 percent of practicing psychiatrists report they use general hospitals in their practice.

The 1960 amendments to the Social Security Act recognized these trends by making provision for up to 42 days of care in a general medical institution for a tuberculous or psychotic patient. The elimination of the present 42-day limitation would be in accord with recommendations of professional medical and welfare experts and would simplify administration.

##### PROPOSAL

It is proposed that the 42-day limitation in title I and title XVI of the Social Security Act be deleted. This would enable the States to initiate or continue assistance to psychotic or tuberculous patients hospitalized in general medical institutions, without limitation as to the time they may be in such an institution.

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### Fact Sheet No. 4

#### INCREASED FUNDS FOR THE CONSTRUCTION OF NURSING HOMES

##### BACKGROUND

In the vast majority of the States general hospitals far outnumber long-term care facilities. This circumstance should be corrected in order to avoid excessive capital expenditures for the more expensive

general hospital beds, to achieve adequate care and treatment for long-term patients at more reasonable costs, and to release general hospital beds now occupied by patients needing long-term care.

Although it is difficult to establish a precise figure of need additional long-term care facilities are required. State agencies report that over 500,000 additional beds are needed, and this figure is confirmed if the long-term care beds in all States are to be brought up to the level of the long-term care beds in existence in the 5 States with the highest ratio of beds per 1,000 persons over 65 years of age.

Thus far only about 35,000 long-term care beds have been built under the Hill-Burton program. The current annual appropriation authorization of \$20 million each for chronic disease hospitals and nursing homes will produce less than 9,000 beds each year. While the number of beds produced outside the program is not known this figure is estimated as approximately 15,000 each year. If this estimate is reasonably correct the overall current addition of approximately 24,000 long-term care beds annually will not reduce the deficit materially. In fact it will accomplish little more than keeping up with the increasing annual need due to the increasing number of elderly persons in the population.

#### PROPOSAL

It is recommended that the Hill-Burton legislation be amended to increase the annual appropriation ceiling for nursing homes from \$20 to \$50 million. This amount, when coupled with the \$20 million authorized to be appropriated for chronic disease hospitals, would provide a total of \$70 million for construction of long-term care facilities.

This action would make a significant impact upon the need for an increased number of long-term care beds and would bring about a better balance of these facilities with general hospitals.

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### Fact Sheet No. 5

#### CONSUMER PROTECTION—"THERAPEUTIC" DEVICES

##### BACKGROUND

Each year Americans spend millions of dollars on worthless therapeutic devices and treatment. Much of this money is spent by older people who are the principal targets, and victims, of false promotions. Worthless rheumatism and arthritis remedies alone cost consumers an estimated \$250 million a year. Worthless cancer remedies cost them millions more each year.

Any ineffective device that is recommended for a serious disease is potentially harmful. The danger may arise when the purchaser delays getting competent medical treatment while giving the article a try. Delay can be serious—ranging from the unnecessary prolongation of pain or illness to death.

Promoters of quack devices often take advantage of scientific progress by claiming to use a newly discovered principle and by using jargon containing new scientific terminology. This atomic age gave impetus to the promoter of the quack device.

For example a plastic dumbbell that contained "Zerret water" which was claimed to emit Z-rays—a force unknown to science—sold for \$50 as a cure for all diseases and for restoring perfect health. Chemists testified the Zerret water had the same composition as Chicago faucet water.

Dirt said to come from uranium mines and claimed to be radioactive was bagged in pads or pillows made of mattress ticking and sold for \$7.50 to \$37.50 a bag as a treatment for sinus pains, arthritis, and bursitis. Actually the pads gave off less radioactivity than a luminous wristwatch dial.

A device sold to practitioners for \$500 was supposed to treat cancer and other pathological conditions by playing the sound vibrations from tape-recorded music into wet pads placed on the body. The output from the tune, "Smoke Gets in Your Eyes," was claimed to be good for cancer.

Some types of devices not in the quack category—including prosthetic devices and appliances for the older person—have caused direct injury to the patient on whom they were used. Artificial hip joints made from the wrong plastic have broken after being inserted. Plates and screws used in mending broken bones have broken, corroded, and produced adverse reactions necessitating repeated operations. Plastics used to repair human organs have been shown later to produce cancer when implanted in test animals. Electronic, ultrasonic, and radioactive devices, emitting excessive amounts of energy, have burned patients.

Since 1938 new drugs have had to be proved safe before they are put on the market. Their effectiveness could be considered only insofar as it was involved in determining their safety. The Kefauver-Harris drug amendments of 1962 to the Federal Food, Drug, and Cosmetic Act strike a major blow at false or misleading promotions of drugs. Now, before a drug can be cleared, scientific proof must be given that the drug will have the effect claimed for it.

But at this time there is no Federal law requiring therapeutic devices to be proved either safe or effective before marketing.

#### PROPOSAL

It is proposed that, in line with last year's amendments regarding new drugs, the Federal Food, Drug, and Cosmetic Act be further amended to require manufacturers or sponsors of new therapeutic devices—including prosthetic and other devices and appliances—to test their products and prove them safe and effective before they put them on the market.

Such devices would be subject to withdrawal from the market on the basis of new evidence which, if available originally, would have resulted in refusal to clear the device for use. Manufacturers would be required to report promptly to the Government adverse reactions to their newly marketed devices. In addition the proposed legislation would require that all devices be produced under adequate manufacturing controls.

These amendments would provide consumers of new devices with the same type of safety protection that has been provided for them in the use of new drugs since 1938. The amendments would also extend to devices the proof-of-effectiveness and quality manufacturing-control requirements of the Kefauver-Harris amendments of 1962 applicable to the manufacture and distribution of drugs. Adequate factory inspection authority would be provided to verify compliance with the requirements of the law and to detect at the source products that are adulterated or misbranded.

A major gap in consumer protection would be narrowed by this proposed amendment. It would especially protect older people.

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### Fact Sheet No. 6

## CONSUMER PROTECTION—CAUTIONARY LABELING OF HAZARDOUS ARTICLES FOR USE IN THE HOME

### BACKGROUND

The Federal Caustic Poison Act, enacted in 1927, required informative cautionary labeling of a few poisonous chemicals that were primarily responsible for home poisonings. In order to require appropriate warning labels on many useful but hazardous household substances developed since then Congress enacted the Federal Hazardous Substances Labeling Act of 1960.

However, the 1960 act did not cover articles within the purview of the Federal Food, Drug, and Cosmetic Act. And, while the Food, Drug, and Cosmetic Act regulates labeling in certain respects, it does not contain adequate requirements for cautionary labeling of articles where such warnings are necessary to guard against accidental injury.

Thus no warnings are required on pressurized containers of food, although such warnings are voluntarily applied by responsible manufacturers today. Likewise, with the exception of certain hair dyes which are covered by a section of the present law, warnings are not required on cosmetics in other cases in which they may be necessary, as shown by reported injuries.

Again, while the Food, Drug, and Cosmetic Act requires certain warnings to appear on nonprescription drugs or devices to guard against unwise therapeutic use, even this requirement does not satisfactorily reach a number of household products with which the Federal Hazardous Substances Labeling Act deals. The lack of adequate warnings can be a serious hazard to many persons, especially older persons who may have neither family nor friend to advise them in an emergency.

### PROPOSAL

It is proposed that the Federal Food, Drug, and Cosmetic Act be amended to require adequate and informative label warnings on pressurized food dispensers and, where necessary, on drugs, devices, and cosmetics.

## Fact Sheet No. 7

## CONSUMER INFORMATION ON CHOICE OF FOOD AND DRUGS

## BACKGROUND

On March 15, 1962, President Kennedy, in his consumers' protection message to Congress, proclaimed four rights of the citizens of this country as consumers:

- The right to safety;
- The right to be informed;
- The right to choose; and
- The right to be heard.

## PROGRAM

The President has directed the Secretary of Health, Education, and Welfare to expand efforts to supply consumers—and particularly the aged—with such information as they need to make informed choices in the purchases of food and drugs.

The Food and Drug Administration (FDA) is appointing a specialist to study methods of helping elderly people who are cheated by promotional gimmicks. The findings will serve as a guide to the preparation of additional material to assist older people in making informed choices.

In addition, the program against the billion-dollar quackery business (including nutritional, medical, and therapeutic quackery) is being expanded by the FDA, with the help of numerous organizations such as the American Medical Association, better business bureaus, a number of professional associations, and State and local law enforcement officers.

This will materially curb quackery in many areas, particularly cancer cure quackery, unwarranted promotion of health foods, the vitamin racket, and fake arthritis and rheumatism cures.

The Kefauver-Harris drug amendments of 1962, requiring established names to appear alongside brand names of drugs on labels and in drug advertisements, will be administered effectively. Proposed regulations were published on February 14, 1963, and, as soon as the time permitted for comment—45 days—has elapsed, final regulations will be issued and enforced.

## Fact Sheet No. 8

## THE TAX PROGRAM FOR THE AGED

President Kennedy's tax program would reduce the total taxes of persons 65 and over by \$790 million a year. This includes \$320 million from special provisions applying only to the aged, together with an additional \$470 million which will result from the other provisions of the overall program of rate reduction and reform.

Under the proposed tax changes for the aged:

All of the 11 million older people who do not now have to file a tax return because their income is low would remain exempt from filing.

Nearly all the 3½ million who file returns, but pay no tax, would still pay no tax.

The taxes of virtually all the 3.4 million older people now paying taxes would be reduced by the specific proposal affecting the aged. The few exceptions are nearly all people with high incomes. Almost all of these will, of course, benefit from the over-all program because of the general reduction in tax rates.

Social security and railroad retirement benefits and those other pensions which are now excluded from taxable income would continue to be exempt from tax.

All income would be taxed more equitably than under present law, including the earnings of those who continue to work, who are now taxed more heavily than those who live on income from other sources.

Older people with incomes below \$10,000 a year would typically get proportionately greater reductions in their income taxes than would people with yearly incomes above \$10,000.

Filing an income tax return would be simplified for many people 65 and older.

If you are 65 or older, this is how the proposed provisions would specifically affect you:

(1) You would figure your tax just as though you were under 65; but

(2) As a single person, you would receive a \$300 credit which you would subtract from any tax you might otherwise owe. The credit would be \$600 if you are married and your wife is at least 65. The benefit of a credit against taxes is far greater than that of a deduction of the same amount against income for all taxpayers.

For example, if, after figuring your income and deductions, you find you owe a tax of \$400, you would subtract the \$300 tax credit for the aged and actually pay only \$100 in taxes.

(3) If you receive social security or railroad retirement benefits, or other tax-exempt pensions, your new \$300 tax credit would be reduced somewhat—the amount depending on how much you receive in benefits and your income-tax rate. Both social security and railroad retirement, of course, remain tax free under the proposed tax program.

For example: Suppose your social security benefits are \$1,000 and your other income for the year is taxable at the rate of 14 percent. You would figure the reduction by multiplying one-half of your \$1,000 in benefits by 14 percent. That is \$70 and thus, your \$300 tax credit would be reduced to \$230. Under present law, you must subtract all social security benefits in figuring your retirement income credit.

(4) The retirement income credit, which fewer than 1 out of 20 older people now use (1 out of 10 who file returns), and the special \$600 extra exemption for the elderly would be eliminated. But in virtually every case, the tax savings from the \$300 credit plus the rate reductions would more than make up for the elimination of these special provisions.

For example: Since relatively few older people use the retirement income credit, most older people would get a tax saving from the pro-

posed \$300 credit that far exceeds the tax saving from the present \$600 extra exemption. The \$300 credit reduces taxes for a married couple in the bottom bracket more than a \$2,000 exemption would. Unless the taxpayer is in the 50-percent bracket or above, the \$300 credit reduces his taxes more than the \$600 extra exemption.

Most of those who might be adversely affected by the specific age proposals have incomes in excess of \$20,000—but they will also receive a net reduction in taxes because of the tax-rate cuts which have also been proposed by the President.

The proposed changes in tax treatment of the aged will bring several decided advantages to the elderly.

#### TAX SAVINGS WOULD GO TO THOSE WHO NEED THEM MOST

Of the \$320 million in tax reductions which the specific proposals for the elderly would bring, one-half would go to those with incomes of \$5,000 or less and 97 percent to those with yearly incomes of \$10,000 or less.

In no circumstance would a single person 65 or over with an income of \$2,900 or less have to pay tax—whereas at present an aged taxpayer can be taxed on income in excess of \$1,333. For a married couple filing a joint return, when both are over 65, there would be no tax whatever on any income up to \$5,778, whereas they may now be taxed on less than half that amount—any income over \$2,667.

#### FAIRER TAX TREATMENT

Those people over 65 with incomes high enough to be subject to tax would have all their income, regardless of source—from wages, private pensions, dividends—taxed more equitably than under the present law.

For instance, older people with income from employment and self-employment, who make up 75 percent of those over 65 who actually pay Federal income taxes, will receive significant benefits from the proposed provisions. Under the present law, older people with relatively modest amounts of earned income often pay taxes at a relatively high tax rate.

A wage earner over the age of 65, of course, pays taxes on what he earns. But under the complicated retirement-income credit, which the new proposal would do away with, a taxpayer has the maximum allowable base for the credit reduced dollar for dollar by earnings in excess of \$1,700, thus wiping out the credit entirely when earnings exceed \$2,974. In effect, then, he pays double the normal tax rate on part of his earnings. Under the new proposal, this would be impossible, and he would be taxed only at the marginal rate, if at all.

Under the proposals for the aged, as submitted to the Congress, a few taxpayers over 65 with incomes below \$10,000 would actually pay a few dollars more in taxes, even after taking the rate reductions



into account. This group, however, estimated to involve fewer than 6,000 single people and 2,000 couples, would constitute less than one-seventeenth of 1 percent of all people over 65, and the maximum tax increase any of them could have would be \$22 for a single person and \$44 for a married couple. As Secretary Dillon pointed out in his testimony before the House Ways and Means Committee, the adverse effect of the program on these few taxpayers could be eliminated by raising the credit to \$325, or possibly through some other special provision.

Also, under present law the tax liability for older people may vary considerably, depending on the source of their income. Consider a couple over 65, for example, with a \$5,000 income, electing to use the standard deduction. If their \$5,000 income is entirely from earnings from work, the tax is \$420 under present law. If the \$5,000 is from \$1,800 in social security, \$1,200 from earnings, and \$2,000 from a private pension, the tax is \$31. Under the new proposal, if this couple has \$5,000 a year in earnings from work, they would pay no tax. If the \$5,000 is from \$1,800 in social security, \$1,200 from earnings, and \$2,000 from a private pension, they would pay no tax. Similarly, if this couple's \$5,000 were to come entirely from private or public pensions, dividends, or any other source whatsoever, whether they itemized deductions or took the standard deduction, they would, under the new proposal, pay no tax at all. Under current law, a number of such couples might be subject to varying amounts of tax.

The proposed changes will clearly foster greater equality in the tax treatment of the elderly—complete equality in many cases.

#### OTHER CHANGES AFFECTING THE AGED

Although they are not part of the special tax revisions for the aged, there are several proposals in the overall tax program which also have special meaning to older people. They are:

##### *Medical deductions*

Under present law, people 65 or older may deduct the total amount of their medical expenses up to a maximum of \$5,000 for a single person and up to \$10,000 for a couple, unless there are disabilities or dependents, in which case the ceilings are higher. The proposed revisions would completely remove all such ceilings.

Also, under the present law older people can deduct the cost of only that portion of their drugs which exceeds 1 percent of their incomes. Under the proposed changes this limit is dropped and the total cost of all prescription drugs would qualify as deductible.

##### *Dividend income*

Many older people receive a significant portion of their income in the form of dividends, and these people will also benefit under the proposed tax program. The proposed repeal of the dividend credit and exclusion taken alone would increase the taxes of such older peo-

ple, but this effect will be more than offset by the increase in corporate dividends which will result from the 5-point reduction in the corporate tax rate. Thus people 65 or over—who receive 45 percent of the dividend income reported on tax returns, although they file less than 9 percent of all returns—will be among the principal beneficiaries of the increased dividend income resulting from the overall effects of the tax program.

*Retirement income credit under age 65*

There are now some 100,000 people retired under age 65 who are using the retirement income credit because they are getting retirement pay from publicly financed retirement programs other than social security and railroad retirement. Retired schoolteachers, policemen, and other government employees fit this category.

To avoid hurting these people who are presently obtaining the retirement income credit and who would not be able to take advantage of the proposed \$300 tax credit until they reach 65, it is proposed that they be allowed to continue to use the retirement income credit until they reach 65.

People who have retired between the ages of 62 and 65 and who are receiving social security and railroad retirement benefits would not be affected by the proposed revisions. Their benefits would continue to be tax exempt, but they would be taxed on any other income in the same fashion as all other people under 65 and would, of course, benefit from proposed tax rate reductions.

SUMMARY

President Kennedy's entire tax program will be of significant help to people over 65 in all income groups, with the greatest benefit going to those with lower incomes. The special credit for the aged would give 97 percent of its benefits to elderly taxpayers with income below \$10,000, and 50 percent to those with incomes below \$5,000. And, while the final overall effect of the tax program on people over 65 would give the bulk of the \$790 million in benefits to those earning less than \$10,000, tax reduction would also be extended up through the \$50,000-plus bracket.

TABLE 1.—Illustrative examples to show the effect of present law and the President's recommendations on taxpayers 65 and over with various sources of income

[Married couple, both over 65, total income of \$5,000]

	Wage earner	Social security beneficiary	Dividend recipient
Wages.....	\$5,000	\$1,200	
Dividends.....			\$5,000
Social security benefits.....		1,800	
Other income (interest, rents, or pensions after return of capital).....		2,000	
<b>PRESENT LAW</b>			
Exclusion of social security benefits.....		1,800	
Dividend exclusion.....			100
Adjusted gross income.....	5,000	3,200	4,900
Exemptions.....	2,400	2,400	2,400
Standard deduction.....	500	320	490
Taxable income.....	2,100	480	2,010
Tax liability before credits.....	420	96	402
Retirement income credit.....		65	305
Dividends received credit.....			80
Tax liability after credits <sup>1</sup> .....	420	31	17
<b>PROPOSED LAW</b>			
Exclusion of social security benefits.....		1,800	
Adjusted gross income.....	5,000	3,200	5,000
Exemptions.....	1,200	1,200	1,200
Standard deduction.....	500	400	500
Taxable income.....	3,300	1,600	3,300
Tax liability before credits.....	488	224	488
\$300 tax credit for both spouses.....	600	474	600
Tax liability after credits <sup>1</sup> .....	0	0	0

<sup>1</sup> The credits may not exceed tax liability.

<sup>2</sup> The minimum standard deduction for a married couple would be \$400.

<sup>3</sup> The \$600 credit is reduced by 1/2 the social security benefits received, \$900, multiplied by the taxpayer's bracket rate of tax, 14 percent, a reduction of \$126.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

TABLE 2.—Effect of the tax program on tax liabilities of individuals aged 65 and over

Adjusted gross income class	Tax liability, present law <sup>1</sup>	Change in tax liability, tax program	Number of taxable returns, present law	Percentage reduction in tax liability of class
	<i>Millions</i>	<i>Millions</i>	<i>Thousands</i>	
Under \$3,000.....	\$40	-\$40	460	100
\$3,000 to \$5,000.....	200	-160	750	80
\$5,000 to \$10,000.....	730	-270	980	37
\$10,000 to \$20,000.....	830	-140	410	17
\$20,000 to \$50,000.....	990	-90	150	9
\$50,000 and over.....	1,240	-100	40	8
Total.....	4,030	-790	2,790	20

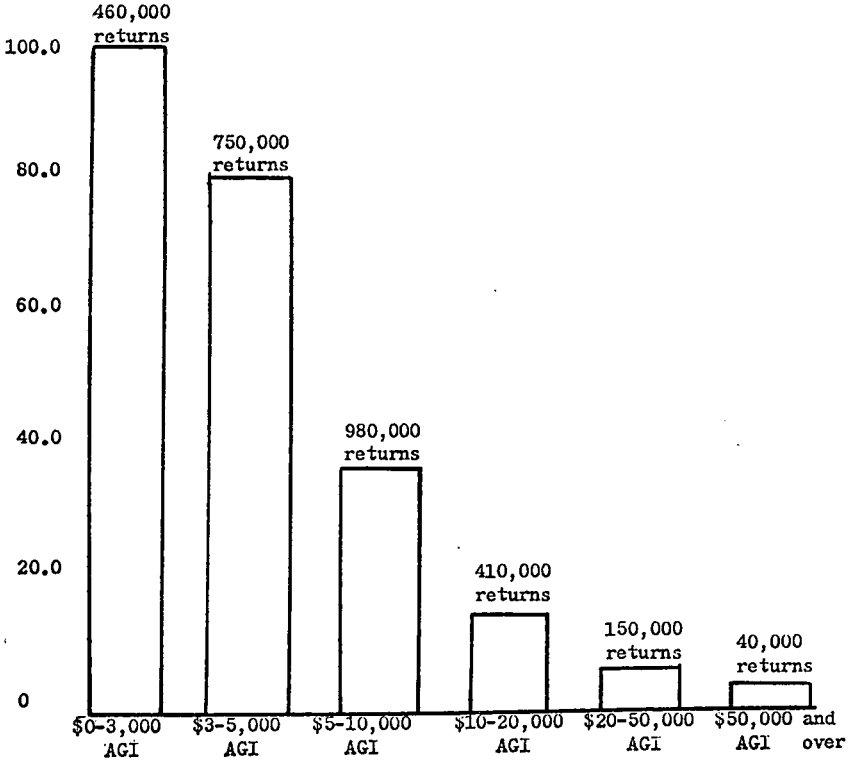
<sup>1</sup> Excludes alternative tax on capital gains.

NOTE.—Figures are rounded and do not necessarily add to the totals.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis.

CHART 1.—Percentage decrease in tax liability of individuals age 65 and over at various income levels

Percent decrease



Fact Sheet No. 9

EVALUATION OF SOCIAL SECURITY BENEFITS AND FINANCING

STATUTORY AUTHORITY

Section 116 of the Social Security Amendments of 1956 provides for the periodic appointment of Advisory Councils on Social Security Financing beginning with the year 1957, to review the status of the old-age and survivors insurance trust fund and the disability insurance trust fund in relation to the long-term commitments of the program. Under the law the Council consists of the Commissioner of Social Security as Chairman and 12 members representing employers, employees, and self-employed and the general public.

## THE FIRST COUNCIL (1957)

The first Council was appointed early in the fall of 1957 and issued its report on January 1, 1959. In addition to the Chairman, the Council was made up of three members representing employers, three members representing employees, and six members representing the self-employed and the general public. This membership included distinguished economists, private insurance actuaries, bankers, and financial experts, as well as representatives of business and labor.

The Council's major finding was, "The method of financing the old-age, survivors, and disability insurance program is sound, and, based on the best estimates available, the contribution schedule now in the law makes adequate provision for meeting both short-range and long-range costs." Although the Council made no recommendations for basic changes in the financing of the program, it made recommendations for minor changes which were the basis for the changes made by the 1960 amendments to the Social Security Act relating to the investment of the trust funds and the duties of the trustees.

## THE 1963 COUNCIL

Originally the Councils were to issue their reports prior to each scheduled increase in the tax rates. Under the 1960 amendments to the Social Security Act, this schedule was modified so that future Councils would report in 1965, 1968, and every 5 years after that.

The 1960 amendments required the appointment of a second Advisory Council on Social Security Financing by the Secretary of Health, Education, and Welfare in calendar year 1963. The Council's report is to be made by January 1, 1965. The 1960 amendments gave the 1963 Council a broader mandate than was given the first Council. Under the law, the 1963 Council is to report not only on the status of the trust funds but is to look into all aspects of the old-age, survivors, and disability insurance system, including the coverage of the program and the adequacy of benefits, and to report its recommendations for changes.

## Fact Sheet No. 10

REDUCTION OF OLD-AGE ASSISTANCE RESIDENCE REQUIREMENTS TO 1  
YEAR

## BACKGROUND

The Social Security Act now permits States to require up to 5 years of residence out of the last 9 as a condition of eligibility in the old-age assistance (OAA) program.

At the present time, 7 jurisdictions have no residence requirements for OAA, 1 State requires 6 months, and 23 States require 1 year of residence. Of the remaining 23 States, 3 require more than 1 year but less than 5 years, and 20 States require 5 years, the maximum allowed under the Federal law.

Lengthy residence requirements deny assistance to financially needy aged people who meet all other eligibility requirements.

They also undesirably impede the interstate movement of needy individuals who are seeking greater opportunities for personal independence or improvement of health and living conditions, and who need to be near a relative from whom they can receive physical care and perhaps some financial aid.

The concern sometimes expressed that a lowering of residence requirements will result in migration by people seeking to receive more assistance has not been supported by the experience of those States reducing residence requirements.

Lengthy and complex residence requirements require much staff work and administrative funds to establish where a person has been living, often as far back as 9 years. This time consuming and wasteful effort could be reduced by a lower residence requirement.

Public and voluntary agencies serving needy people are seriously concerned with the effect of residence restrictions and have urged that there be Federal and State action to eliminate or reduce residence requirements in public assistance. The Governors' conference in 1959 adopted a resolution requesting Federal legislation for a uniform 1-year limitation on State residence requirements in the federally aided public assistance programs and urging State action on a proposed interstate compact that would assure aid to needy persons moving from one State to another.

#### PROPOSAL

To help accomplish the objective of the Federal grant-in-aid and to strengthen the Federal-State public welfare programs so they can more adequately meet the needs of people, it is proposed that the Social Security Act be amended to prohibit a residence requirement of more than 3 years (out of the last 9) as of January 1, 1968, and of more than 1 year as of January 1, 1970.

**NOTE.**—The seven jurisdictions which have no residence requirements for OAA are Connecticut, Guam, Hawaii, New York, Puerto Rico, Rhode Island, and the Virgin Islands. Kentucky is the one State which requires 6 months' residence.

The 23 States requiring 1 year of residence are Alabama, Delaware, Georgia, Idaho, Illinois, Maine, Maryland, Massachusetts, Minnesota, Mississippi, New Jersey, New Mexico, North Carolina, North Dakota, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia, West Virginia, Wisconsin, and Wyoming.

Of the remaining 23 States, Arkansas, Ohio, and Vermont require more than 1 year but less than 5 years. The 20 States which require 5 years, the maximum allowed under the Federal law, are Alaska, Arizona, California, Colorado, District of Columbia, Florida, Indiana, Iowa, Kansas, Louisiana, Michigan, Missouri, Montana, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, Texas, and Washington.

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### Fact Sheet No. 11

#### PROTECTIVE SERVICES FOR OLD-AGE ASSISTANCE RECIPIENTS

##### BACKGROUND

Some aged persons with physical or mental handicaps, while not needing a formal guardianship, are in need of some help in spending their funds for their own benefits. Yet, under the present law, old-

age assistance (OAA) payments must be made directly to the needy individual, his legal guardian, or his judicially appointed representative. This presents a hardship to many old-age assistance recipients who are more or less confined to their homes.

Of the 2,315,300 recipients in 1960, nearly one-third were confined to their homes because of their physical or mental condition, needed personal care from another person, or needed help in getting around outside the home. Seven and a half percent of the recipients were either bedfast or chairfast. The percentage of recipients needing personal care or help in getting around, as well as the percentage of recipients who are bedfast or chairfast, increases with advancing age. Although only 18 percent of the recipients aged 65-69 need care or help, 75 percent of those 90 and over need care.

Not only does the need for help or care increase with age, but also the probability that the aged person needs old-age assistance. Only 140 out of every 1,000 people aged 65-69 receive OAA; but 201 of every 1,000 aged 75-79 receive OAA, and the number increases to 330 for those over 85.

#### PROPOSAL

It is proposed that the States be permitted to make OAA payments to third persons concerned with the welfare of OAA recipients who, because of their physical or mental condition, are unable to manage their money. State agencies would be required to determine that the recipient is unable to handle his own money because of his condition and to periodically review the recipient's circumstances.

This change in the law would serve to further implement the provisions of the 1962 Public Welfare Amendments directed toward encouraging the States to develop and strengthen their programs of social services for the aged and to give the States an element of flexibility in dealing with the difficult problems they face in providing adequate protective services to the aged.

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#### Fact Sheet No. 12

### STANDARDS IN HOUSING OCCUPIED BY OLD-AGE ASSISTANCE RECIPIENTS

#### BACKGROUND

Older people with limited incomes have difficulty finding adequate housing.

A study by Cornell University published in 1961, analyzing the housing status of old-age, survivors, and disability insurance beneficiaries on a simple basis, concluded that 45 percent of the elderly in that sample were inadequately housed.

A recent tabulation by the U.S. Census Bureau, prepared for the Housing and Home Finance Agency, indicated that 29 percent of the housing rented by people over 60 years of age was substandard. Adequacy in this case meant the presence of private inside toilet facilities, private bath and shower, and hot and cold running water. The same study showed that for householders with less than \$1,000 annual income 36 percent of the owner-occupied units was substandard and 48 percent of the renter-occupied units was substandard.

Living arrangements for old-age assistance (OAA) recipients, drawn from the most recent study of the characteristics and financial circumstances of these recipients (1960), indicated that nearly 20 percent of their homes lacked running water, only 60 percent had both hot and cold running water, and nearly 30 percent had no flush toilets. Seven percent of the recipients had to share a toilet with another household. Two-thirds of the recipients lacked central heating equipment in their homes.

Studies made in metropolitan areas have indicated that in one community (Chicago) many of the OAA clients lived in substandard dwellings for which they paid relatively high rents. (In some cases 49.6 percent of the grant went for rent). Only about one-third of these dwellings, for example, had a private toilet.

The median age for OAA recipients in 1960 was 76.5 years as compared with the median age of 72.1 years for the total population 65 years of age and over.

More than half the recipients of OAA live in nonmetropolitan counties, but the number living in metropolitan counties is rising. Older people are leaving the farms and are moving to places of denser population. Many are forced to live in substandard rented quarters, located in the deteriorated core of metropolitan areas or on the outskirts of towns and villages. In many instances they pay an excessively high rental which takes a large proportion of their public-assistance payments. In fact, 25 percent—or \$500 million—of the \$2 billion spent annually for old-age assistance goes for rent, despite the fact that a large proportion of people on old-age assistance own their homes.

#### PROPOSAL

It is proposed that title I of the Social Security Act be amended to require States to have an agency or agencies to establish and maintain standards for rental housing occupied by OAA recipients. This provision would become effective July 1, 1966.

Under this provision, the States would establish or designate a State agency—the welfare agency or another State agency—which would be responsible for standards for the State as a whole and could designate other agencies to be responsible for local standards.

The specific standards to be developed would be those decided upon by the State, subject only to reasonable consideration of such factors as health, safety, and decency. The proposed amendment is similar to a provision adopted by the Congress in 1950 relating to institutions.

The proposed standards would not affect the eligibility of individual recipients, nor would they affect the receipt of Federal funds for any individual case. They would become one of the requirements of the State, comparable to other provisions in the Federal law for the approval of a State plan, such as the requirement that the State must offer an individual a fair hearing or that the programs be statewide in effect.



## Fact Sheet No. 13

## EXPANDING EMPLOYMENT OPPORTUNITIES

## BACKGROUND

More people are reaching their 65th birthdays, but the percentage of older workers in gainful employment has been steadily declining. Many are compelled to give up their jobs because of compulsory retirement policies. Others find themselves out of work because of technological and other changes. It is increasingly difficult for them to get other jobs.

Many of these older people want to work and must work in order to maintain a decent standard of living. Moreover, their enforced idleness represents a national loss of urgently needed skills, talents, and experience.

Frequently the problem starts long before retirement age. Primarily because of their age, a great many men and women in their forties and fifties are having trouble finding new employment.

## PROPOSAL

President Kennedy has proposed a Federal program of matching grants of up to \$10 million a year for 5 years to State and local governments and approved nonprofit institutions to encourage them to experiment with the employment of retired men and women in part-time work. Some 20,000 retired men and women could be employed under such a program each year. They would be employed in such activities as helping with school lunch programs, working as park-playground attendants, helping care for children in day-care centers, and in training young people in various crafts. The program would be administered by the Department of Labor.

The President has also:

Proposed an increase in funds for the public employment service to make it possible to provide additional and intensive counseling and placement service to older workers and other jobseekers having difficulty in finding employment.

Recommended a substantial expansion of the training programs under the Manpower Development and Training Act and the Area Redevelopment Act. A series of demonstration and experimental projects will be started this year by the Department of Labor to help older workers train for jobs in their home communities and to test new classroom and counseling techniques.

Requested the President's Council on Aging to establish a Subcommittee on the Employment of Older Workers to determine further actions needed to improve employment and training opportunities for older workers and to report to him, by the end of October 1963, any actions considered desirable or necessary.

## Fact Sheet No. 14

FEDERAL-STATE ACTION TO COMBAT AGE DISCRIMINATION  
IN EMPLOYMENT

## BACKGROUND

Title 5, section 638b of the United States Code provides:

No part of any appropriation in any Act on or after June 27, 1956, shall be used to pay the compensation of any officers or employees who establish a requirement of maximum age for entrance into positions in the competitive civil service: *Provided*, that no person who has reached his seventieth birthday shall be appointed in the competitive civil service on other than a temporary basis.

The Department of Labor and the Department of Health, Education, and Welfare have explicit statements of policy that, within these two Departments, job discrimination against older people will not be tolerated.

On May 10, 1961, the Secretary of Labor, in General Order No. 111, stated:

The older worker should not be denied employment opportunity simply because of his age. Such discrimination deprives older persons of the opportunity of earning a livelihood and of the dignity that the performance of useful functions properly gives to them. Moreover, efficient use of our human resources requires that the services of all persons capable of performance in the labor force be utilized \* \* \* subject to applicable law, persons shall not be denied employment opportunity on the basis of age alone. The Department of Labor can ill afford discrimination of this type.

On March 2, 1962, the Secretary of Health, Education, and Welfare, in a statement of Department policy on the use of older workers, said:

It is the policy of this Department to hire, promote, and reassign its employees on the basis of their abilities and qualifications, without irrelevant restrictions as to age or other factors not related to job performance \* \* \*. Discrimination against older people must not occur in this Department, which is charged by the President and by the Congress with leadership and specific responsibilities for this vital segment of our society. This Department must furnish an example in combating age prejudice.

Sixteen States have passed legislation prohibiting discrimination in employment because of age: Alaska, California, Colorado, Connecticut, Delaware, Louisiana, Massachusetts, Montana, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Washington, and Wisconsin. The Commonwealth of Puerto Rico has taken similar legislative action.

In January 1960 an informal survey was conducted by State employment security agencies in seven States having age antidiscrimination legislation. It revealed the following:

Relatively few complaints have been filed by workers.

Employer reaction varies from indifference to active cooperation.

A feeling of general improvement was noted in the climate of acceptance of older workers for job openings.

The law serves as an expression of public policy and morality.

Virtual elimination of age requirements in newspaper ads resulted.

The need for reinforcing the laws with educational programs was recognized, and one State expressed the opinion that legislation hastened the educational process.

The findings of this survey were reported in the February 11, 1963, report of this committee, "Developments in Aging 1959 to 1963."

#### PROGRAM

The President has directed all Federal agencies "to honor fully both the spirit and the letter of official Federal policy to evaluate each older applicant or employee on the basis of ability, not age." He has asked all Federal agencies "to review their current policies and practices in order to insure that full consideration is given to the skills and experience of older workers" and has urged "all employers, private and public, to adopt a similar policy."

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#### Fact Sheet No. 15

#### NATIONAL SERVICE CORPS

#### BACKGROUND

Our elderly citizens are experienced in many professions and fields of employment. They have many skills and talents which do not suddenly end with retirement.

In 1960 the labor force included more than 61½ million men and women 60 years of age or older. Among them were 126,000 public school teachers, 25,000 lawyers, 3,000 dietitians and nutritionists, 18,000 college faculty members, 32,000 physicians and surgeons, and 43,000 professional nurses. Many of them have now retired. Others are ready to retire or would retire if they saw further useful activity ahead.

These professional people constitute a great reservoir of talents and skills for the communities of the Nation and the Nation itself. The Peace Corps, which has no upper age limit, has drawn upon it, and corpsmen in their sixties and seventies are serving with distinction in Africa, Asia, and South America. More are needed.

In preparation for establishment of the National Service Corps, the President's Study Group on National Voluntary Services developed and distributed questionnaires to college students and senior citizens seeking to determine if such persons would be interested in serving in such a national program. Of the 4,130 older persons who responded to the questionnaires, 82 percent thought the program was desirable and 52 percent indicated they would like to join or would consider joining such a corps.

#### PROPOSAL

The President has requested the Congress to authorize a National Service Corps. In that message and in his present message on aging he indicates that steps should be taken by the corps "to provide oppor-

tunity for service for those aged persons who can assume active roles in community volunteer efforts." Some would serve as active, full-time corpsmen in the mobile forces of the service; many others could work alongside corpsmen as local volunteers on projects in their home communities.

For many specific endeavors age would be an advantage. Retired teachers, for example, could travel with migrant workers who do not remain in a community long enough to enter their children in school. The patience which characterizes age would be an asset in work with the mentally retarded and the mentally ill. Among the Indians on reservations, where age is much revered, older corpsmen might have a role in dealing with tribal authorities.

In projects in urban slums older corpsmen and local volunteers could aid the older residents while younger members of the Service work with juveniles. There would be wide opportunity in literacy programs for involvement of retired teachers.

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### Fact Sheet No. 16

## CONTINUED FUNDS FOR DIRECT LOANS FOR MODERATE RENTAL HOUSING

### BACKGROUND

Under the Community Facilities Administration (CFA) direct-loan program for housing for senior citizens, authorized by the Housing Act of 1959, a total of \$96.4 million in loan reservations had been approved by December 31, 1962, for 8,819 dwelling units, all but 285 of them in the past 2 years.

The demand for new housing projects financed under this program is expected to grow substantially. Available funds under existing appropriations and authorizations are being used up rapidly. An increase to a level of \$125 million for 95 projects is expected during fiscal year 1964. By June 30, 1964, approved cumulative loan reservations are expected to provide a total of 25,000 dwelling units.

The purpose of the CFA direct-loan program is to provide adequate housing for older persons, aged 62 or over, whose incomes are too high to qualify for public housing but too low for standard rental charges in the private housing market. Direct low-interest Federal loans may be used to finance up to 100 percent of development costs of rental-type housing especially designed for elderly persons of moderate income.

The loans are made only to private nonprofit corporations, consumer cooperatives, and certain public agencies. An approved loan can be repaid over a period of up to 50 years. The current interest rate is 3½ percent.

The rapid progress of the CFA direct-loan program is due largely to the response of nonprofit and cooperative religious, fraternal, labor, and civic groups who have seized the opportunity to provide moderate rental housing for the elderly where none had existed.

## PROPOSAL

In his budget the President is requesting a supplemental appropriation of \$45 million to bring the current fiscal year's appropriation to a total of \$90 million. The regular appropriation request for fiscal year 1964 is \$125 million to continue the program at anticipated levels. Total congressional appropriation for the CFA direct-loan program to date is \$125 million.

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Fact Sheet No. 17

## HOUSING FOR THE ELDERLY IN RURAL AREAS

## BACKGROUND

One-third of our Nation's older men and women live on farms and in small country towns and villages. In many of our small towns, one out of every five people is in the older age group.

A high percentage of these older people live with relatives or in substandard housing lacking such commonly accepted conveniences as central heating, bathrooms, or even running water. Generally low incomes and inability to obtain housing credit has forced them to continue to live in such fashion.

The Senior Citizens Housing Act of 1962, making low-interest-rate loans available at favorable terms, recognized the special needs of rural older people. It has given them new hope and an opportunity to improve their present homes or to build or buy a home. Use of the authority given in the act to make loans for rental housing for elderly low-income people in rural areas will further broaden their opportunities to have decent and comfortable homes.

## PROPOSAL

Congress is requested to appropriate \$5 million to activate the \$50 million revolving fund for direct senior citizen rental housing loans for the balance of this fiscal year and an additional \$5 million for the next fiscal year.

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Fact Sheet No. 18

## CONSTRUCTION OF GROUP-CARE RESIDENCES

## BACKGROUND

The major programs of housing for senior citizens emphasize the desire of older people to be independent, active, and self-reliant. The great majority of our Nation's senior citizens can be best served by such housing.

However, there are substantial numbers of older persons who require assistance in some aspects of their daily living. Many have become physically frail and have disabilities for which they need some

help. Many require some nursing care and others may need assistance in meal preparation, in caring for their living units, or in bathing.

They are not so dependent as to require care in restorative or skilled nursing homes or in terminal, custodial facilities. They are generally ambulatory, can eat in a dining room, and can come and go in the community with considerable independence. They desire and want to have privacy, community life, and activity within the limits of their capacity. They do not wish to be shunted aside.

These older persons often have depleted their resources and no longer have family or friends available for support. They could be housed in group-care residences which have facilities for dining together, for recreational activities, and for health services; and they should be able to utilize various community resources which can sustain independent living as long as possible. Such residences can be small and can be located in neighborhoods of a city, in suburbs, or in small communities. They should not develop into mere custodial homes, but should be community based and tied in with the community health, mental health, and welfare planning programs.

A large proportion of public housing that is now being aided and authorized by the Public Housing Administration is specifically planned for the low-income elderly.

#### PROGRAM

The President is requesting the Housing and Home Finance Administrator to give greater emphasis to the construction of group-care residences suitable for older families and individuals who need partial personal care. He is asking the Secretary of Health, Education, and Welfare, to assume responsibility for working with communities to assure efficient provision of health and social services for the residents of such facilities in accordance with comprehensive local plans. For this purpose, the Secretary would utilize funds under the proposed Senior Citizen's Community Planning and Services Act and other resources already available to his Department.

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#### Fact Sheet No. 19

### INCLUSION OF ELDERLY SINGLE PERSONS IN BELOW-MARKET INTEREST-RATE HOUSING

#### BACKGROUND

One of the most rapidly growing new programs authorized by the Housing Act of 1961 is the special program for lower rent housing, insured by the Federal Housing Administration (FHA) and sponsored by nonprofit groups, to provide good rental and cooperative housing on the private market for people of low and moderate income.

This program is providing housing at lower rents than otherwise would be possible by making funds available at below-market interest rates, but sufficient to cover the cost of money to the Government. Currently this rate is  $3\frac{1}{8}$  percent. This special rate is assured, up to authorized limits, by the special assistance program of the Federal

National Mortgage Association which purchases the below-market-interest-rate mortgages.

The purpose of the program is to provide a special Federal insurance mechanism for public and private sponsorship, financing, and construction of nonprofit multifamily housing for families of all ages caught in the eligibility limit "income squeeze" between public housing and private-profit housing. Mortgagors eligible for insurance of up to 100 percent of project-replacement cost are certain public agencies, cooperatives (including investor-sponsored cooperatives), and private nonprofit corporations and associations. Limited dividend corporations are eligible for up to 90 percent of project replacement cost.

During calendar year 1962, applications more than doubled under this program to a level of \$103.5 million in mortgages for about 9,600 units. By December 31, 1962, some 28 projects with 4,187 units had been insured for a total of \$48.9 million. Construction on most of these projects is now underway. The first completed project, in Baltimore, was immediately rented to capacity and now has a large waiting list.

As originally written, the law did not provide for the inclusion of units for single persons in these projects, yet many elderly single persons are otherwise eligible potential occupants. Approximately half of America's senior citizens live in single status (never married, widowed, divorced, or otherwise separated from husband or wife). Many are in the same income bracket as families for whom this program was intended.

#### PROPOSAL

The President is recommending to the Congress an amendment to the law to provide for the eligibility of elderly single persons as occupants of low and moderate housing projects financed with FHA below-market-interest-rate mortgage insurance.

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#### Fact Sheet No. 20

COMMUNITY ACTION GRANT PROGRAM—GRANTS TO STATES FOR PLANNING, COORDINATION, AND DEVELOPMENT OF SERVICES FOR THE ELDERLY

(Senior Citizens Community Planning and Services Act of 1963,  
Part A)

#### BACKGROUND

The heart of any program for the elderly must be opportunities for, and actual services to, older citizens in their home communities.

Many community health, welfare, recreation, employment, and educational agencies include in their general programs some services especially designed for the elderly. Some communities offer a number of such services. Few, however, provide comprehensive, coordinated, communitywide programs for the elderly, including guidance and counseling to help older people and their relatives find the services that do exist. Few communities know precisely the extent and

nature of the unmet needs of their older citizens. Few have opened wide the door to older people for participation in community life—important to the old and of potential value to the community.

Strong and informed leadership in State and community is necessary if the problems of the needy elderly are to be met and the services of the productive older citizen utilized.

The States are deeply concerned with this situation. Many have moved to action with increasing urgency. Permanent State commissions or committees on the aging have been established in 34 States, Puerto Rico, and the Virgin Islands; temporary State units exist in 9 other States. (See table 1, fact sheet No. 20.) But only 25 of the State agencies have a State appropriation—in most cases very small—and only 22 have a full-time executive director or secretary.

Communities, too, have been moving ahead within the limits of their resources. More than 800 cities and counties throughout the country now report that they have a planning and coordinating committee on aging.

Both States and communities need additional support.

#### PROPOSAL

Under part A of the proposed Senior Citizens Community Planning and Services Act of 1963, Federal allotment of funds would be made to the States for their use in planning and developing coordinated State and local community programs. The allotments would be made in accordance with a formula based on the State's population aged 65 and over.

Each State would develop a State plan and would establish or designate a single State agency responsible for coordinating the State programs on aging. This agency would be responsible for administering or supervising the proposed grant program. Upon approval of its plan by the Secretary of Health, Education, and Welfare, the State could use its Federal allotment (1) to support community planning and coordination of programs for the aged; (2) for demonstration pilot projects designed to develop new or improved programs; (3) for training professional, technical, and volunteer personnel needed to carry out the program and activities for the elderly; and (4) for actual provision of expanded or newly established services or programs for older people.

The Federal funds could be used to support any one project for a period not to exceed 3 years and in amounts up to 75 percent of the costs of the project in its first year, up to 60 percent in the second year, and up to 50 percent in the third. A portion of a State's allotment (10 percent, or \$15,000, whichever is less) may be used for paying up to 50 percent of the administrative costs of the program.

The appropriation authorization proposed for the State allotments would be \$50.5 million for 5 years (\$5 million the first year, \$8 million the second, and \$12.5 million in each of the next 3 years).

These funds would permit States to encourage planning and coordinating committees in cities and counties to determine the needs of their older citizens and to stimulate public and voluntary agencies to develop communitywide programs of health, social services, employment, recreation, education, and housing to meet the needs.



Pilot projects could be developed and existing programs improved in such areas as preretirement education, the use of clinics for healthy older people, the staffing and operation of multipurpose activity centers,<sup>1</sup> the teaching of creative skills in the arts and arcrafts, social and recreational programs, provision of meal centers and home-delivered meals, development of sales outlets for senior craftsmen, and establishment of special telephone service to maintain contact with older people living alone.

Under provisions of the act, attention could be given to projects designed to enlist the interests and energies of older people in providing voluntary services to improve the well-being of their communities. Grants could be made by the States from their allotments to agencies and organizations such as adult education and training centers and university extension services.

Federal funds would make it possible for the States to maintain up-to-date information on the numbers and general needs of their older citizens, to analyze existing programs and available services, and to determine where gaps in service exist. Programs in health, welfare, recreation, housing, and education could be better coordinated, and guidance and consultation given to communities.

TABLE 1

According to the latest information available to the Department of Health, Education, and Welfare, 34 States, Puerto Rico, and the Virgin Islands have permanent State commissions or committees on aging. However, some of these do not have State appropriations or full-time executive officers.

State-by-State information as of June 21, 1963 follows:

State	Status of State agency on aging	State appropriation	Full-time executive officer
Alabama	Permanent	No	No
Alaska	Inactive		
Arizona	do		
Arkansas	Permanent <sup>1</sup>	No	No
California	do	Yes	Yes
Colorado	do <sup>1</sup>	No	No
Connecticut	do	Yes	No
Delaware	do	No	No
District of Columbia	Inactive		
Florida	Temporary	No	No
Georgia	Permanent	Yes	Yes
Hawaii	Temporary	Yes	Yes
Idaho	Inactive		
Illinois	Permanent	No	No
Indiana	do	Yes	Yes
Iowa	Temporary	No	No
Kansas	do	No	No
Kentucky	Permanent	Yes	Yes
Louisiana	do	Yes	Yes
Maine	do	Yes	No
Maryland	do	Yes	Yes
Massachusetts	do	Yes	Yes
Michigan	do	Yes	Yes
Minnesota	do	Yes	Yes
Mississippi	Temporary <sup>1</sup>	No	No
Missouri	do	No	No
Montana	Permanent	No	No
Nebraska	Temporary	No	No
Nevada	Inactive		

See footnote at end of table.

<sup>1</sup> No funds for construction of such centers, except simple, minor alterations, are available under this title of the act, but are provided for by part D.

State	Status of State agency on aging	State appropriation	Full-time executive officer
New Hampshire.....	Permanent.....	Yes.....	No.
New Jersey.....	do.....	Yes.....	Yes.
New Mexico.....	Inactive.....	.....	.....
New York.....	Permanent.....	Yes.....	Yes.
North Carolina.....	do <sup>1</sup> .....	Yes.....	Yes.
North Dakota.....	do <sup>1</sup> .....	No.....	No.
Ohio.....	Temporary.....	No.....	No.
Oklahoma.....	Permanent <sup>1</sup> .....	No.....	No.
Oregon.....	do.....	Yes.....	Yes.
Pennsylvania.....	do <sup>1</sup> .....	Yes.....	Yes.
Rhode Island.....	do.....	Yes.....	Yes.
South Carolina.....	Inactive.....	.....	.....
South Dakota.....	do.....	.....	.....
Tennessee.....	Permanent.....	Yes.....	Yes.
Texas.....	do <sup>1</sup> .....	Yes.....	Yes.
Utah.....	do.....	Yes.....	Yes.
Vermont.....	do <sup>1</sup> .....	No.....	No.
Virginia.....	do.....	Yes.....	Yes.
Washington.....	do <sup>1</sup> .....	Yes.....	Yes.
West Virginia.....	Temporary.....	No.....	No.
Wisconsin.....	Permanent.....	Yes.....	Yes.
Wyoming.....	do.....	No.....	No.
Puerto Rico.....	Permanent.....	Yes.....	Yes.
Virgin Islands.....	do.....	Yes.....	Yes.
Guam.....	Inactive.....	.....	.....
American Samoa.....	do.....	.....	.....

<sup>1</sup> Indicates agency established by administrative action. Others established by legislative action.

## Fact Sheet No. 21

### COMMUNITY ACTION GRANT PROGRAM—DIRECT RESEARCH, DEMONSTRATION, AND TRAINING GRANTS

(Senior Citizens Community Planning and Services Act of 1963,  
Parts B and C)

#### BACKGROUND

There has been encouraging progress in recent years in providing for the special needs of older people. At the same time, as understanding of their needs has grown, serious deficiencies in services and opportunities have been identified. Many current approaches and programs need to be evaluated and improved.

In certain areas, as in the design and provision of services in housing projects for older people, very little has been done. There are great gaps in our knowledge of the social and psychological processes of aging, of the preferences and patterns of older people as consumers, and of the extent and kinds of activity in which older people are interested and of which they are capable.

And there is a serious shortage of professionally and technically trained personnel to work with older persons. Institutions of higher education have only begun to work toward fulfilling this need. Colleges, universities, and professional schools need teachers with knowledge of aging, and almost every profession and technical occupation involved in serving older people is acutely short of persons trained to work with them. There is a particular and immediate need for persons broadly trained in aging to work in State and community planning of programs for the aged.

## PROPOSAL

Under parts B and C of this proposed senior citizens grant program, the Secretary of Health, Education, and Welfare would be authorized to make direct project grants to public and nonprofit agencies, voluntary organizations, institutions, and individuals to support research, demonstration, and training in aspects of aging not now adequately supported. These in the main would be pilot projects of national scope and significance.

Demonstration projects, for example, could include—

Experiments in total community organization of services to older people, designed to make sure that older people know of the services available to them.

Development and testing of study units and materials on aging for use in primary and secondary schools.

Experimental activity, educational and recreational programs, concerted social services, and other services in senior housing projects to determine what services are most effective in maintaining independence, mental health, community participation, and good family relationships among older people.

Training grants under the program would be available for—

Institutions of higher education to use to develop courses in aging and gerontology.

Development of teaching materials and pilot training programs.

Support of university-based institutes of gerontology for training, research, and service to State and community agencies.

Short courses and training conferences on aging for personnel currently employed and wishing to add competency in aging to their present skills.

Traineeships, fellowships, and stipends to students wishing to specialize in aging.

Research projects in the broad field of aging could be supported to develop more information about—

The patterns of activity and adjustment of older people of different ages and socioeconomic backgrounds in both urban and rural areas.

The nature and extent of participation in family and community life under different housing and living conditions.

The relationships between different generations within the family and the contribution of older people to family life.

The criteria for employment in different occupations.

Budgetary requirements as affected by the size of the household and geographic place of residence.

The impact of the cost of aging programs on local and State economics.

The consumption patterns and preferences of older people and their role as consumers in the economy.

The appropriation authorization for research, demonstration, and training grants would be \$1.5 million for fiscal 1964, \$3 million for 1965, and \$5 million for each of the next 3 years.

## Fact Sheet No. 22

COMMUNITY ACTION GRANT PROGRAM—GRANTS FOR CONSTRUCTION  
OF SENIOR RECREATION AND ACTIVITY CENTERS(Senior Citizens Community Planning and Services Act of 1963,  
Part D)

## BACKGROUND

The senior activity center is essentially a community center especially designed for older people. New to the American scene, it is generally regarded as the most important facility that has come into existence in connection with community efforts to meet the needs of older people.

An ideal center is a building which includes a sizable general-purpose recreation room, craft rooms, lounge, library, kitchen, and offices for administration and counseling. It is centrally located, accessible by public transportation and, preferably, in an area where retired people are concentrated. It offers as many as 50 or 60 different activities in response to the widely varying interests of older people. It is open every day and often during the evenings. The membership fee—if any—is never too high to preclude low-income people.

For older people, the senior activity center provides opportunities for social contact, recreation, and leadership—a chance to get out of apartments or homes for as many hours as they wish, to engage in activities suited to their interests, and to mingle with other people; development of new interests and skills or renewal of old skills; educational activities as basic as learning to read or write, or advanced studies for the more sophisticated; volunteer services; improved mental health through stimulation of interest and activity, and improved physical health through education and referral and counseling services; income stretching through consumer education and special programs.

For the community, the senior activity center provides: Healthier and more problem-free older citizens; reduced need for health and other services and better use of existing services; a source of volunteers and activity-minded citizens with adequate free time; a strengthened coordination of community services and facilities for older people and a source of information on older people's attitudes, opinions, and desires.

Only about a dozen senior activity centers in the country have been specifically designed and built for the purpose. Most of these are in public housing projects, limited in size by Federal regulations.

Others, limited in scope, are making do in large, old houses, store buildings, lofts, and other places ill suited to requirements—small and often unsafe. Some, in churches and general-purpose community buildings, are available for only limited use. Few have the equipment needed to satisfy the potential membership.

Those who have studied senior activity centers—including a research team from Stanford University—are in unanimous agreement as to their value both to the individual older person and to the community.

## PROPOSAL

Under part D of the Senior Citizens Community Planning and Services Act of 1963, the Secretary of Health, Education, and Welfare would make grants on a 50-50 matching basis, under a 5-year program for the construction, equipment, or remodeling of senior activity centers. The sum of \$2.5 million would be authorized for the first year, \$4 million for the second year and \$7.5 million for each of the last 3 years. These funds would be available to public agencies or to voluntary organizations.

The establishment of activity centers for older people was urgently recommended by the White House Conference on Aging and by numerous State and local conferences. (Financial assistance for staffing and operation is possible under part A.)

## Fact Sheet No. 23

## COMMODITY DONATION PROGRAM (SURPLUS FOODS)

Better nutrition would vastly improve the health status of many older people. With small incomes, far too many elderly people are skimping on food—at a time when our food production exceeds our markets.

The United States has been donating much of this surplus food to those who most need it. Food donated by the U.S. Department of Agriculture (USDA) is channeled from processors and packagers to the States. The States then forward the food to local areas for distribution to needy families.

At the end of 1962, nearly 6.5 million needy persons in family units, including many older men and women, received federally donated foods under programs administered and financed by some 2,000 local governmental units in 48 States, the District of Columbia, Puerto Rico, the Virgin Islands, and the Trust Territory of the Pacific. Donated foods are also distributed to charitable institutions serving some 1.5 million needy, aged, and infirm and to schools having noon lunch programs.

Under regulations prescribed by the Secretary of Agriculture, each State establishes eligibility standards and rules of procedure subject to approval by USDA's Agricultural Marketing Service. State and local agencies are also responsible for the receipt, storage, handling, and distribution of donated foods.

Food distribution to families is usually on a once-a-month basis. Currently, chopped meat, flour, dry milk, dry beans, cheese, rolled wheat, cornmeal, lard, rice, peanut butter, and butter are available.

At present, surplus foods are being made directly available to low-income households in almost all States, and many older persons living alone or with others are receiving them. Similarly, surplus foods are being donated throughout the Nation to most of the nonprofit institutions which serve the aging.

The Department of Agriculture will increase its efforts to further the use of this resource on behalf of the elderly.

## Fact Sheet No. 24

## FOOD STAMP ACT OF 1963

## BACKGROUND

An alternative method to distributing surplus food directly to the needy has been operating on a pilot basis in some areas of the country for 2 years. This is the food-stamp program through which families, certified as eligible by local public welfare agencies, are able to obtain more food than their meager incomes would otherwise enable them to buy. Eligible persons pay the amount for food coupons that they would normally be expected to spend for food. The coupons are of greater value than their cost, thus enabling families to buy additional food.

On an average, a family invests about \$6 for every \$10 of coupons they receive. The coupons can then be used to buy any food the family wishes—except a few imported items—out of regular commercial supplies at retail outlets normally used by the family.

Pilot food-stamp programs are now operating in 19 counties and 2 cities in 15 States. By June 30, 1963, additional projects will be initiated by the U.S. Department of Agriculture in another 25 counties and 1 city in 8 more States.

At the end of 1962, 189,000 Americans, including many on limited pensions or on public assistance, were enjoying better diets from increased food-purchasing power under the food-stamp program. According to a food consumption study in two of the pilot areas, meat, poultry, fish, milk, eggs, fruits, and vegetables accounted for more than 80 percent of the gains in the value of foods consumed.

## PROPOSAL

Legislation will be proposed in the very near future to permit the progressive expansion of the food-stamp program into all areas of the Nation where conditions warrant its establishment. The extension of this program will be particularly beneficial to older people. The actual physical task of shopping is easier under this system, which permits them to market at their neighborhood stores as need arises, rather than to travel to surplus food depots and transport a month's supply at one time. The wider choice of foods permitted under this plan also makes possible better nutrition.

More than 2.2 million men and women 65 years of age or older are on public assistance—their only resource for the basic necessities of life. The average amounts of these payments vary widely—from a high of \$104.93 per month per person in California to a low of \$34.77 per month in Mississippi.

More than 14 million retired men and women receive monthly social security checks; for many this is their only money income. These payments average \$72.40 per month for a single retired person and \$127.10 for a retired couple.

With the extension of the food-stamp program, millions of older men and women will be able to stretch their food money further and to obtain better nutrition. This is of vital importance to older people who find themselves with lowered income at a time in life when health problems are likely to develop.

## Fact Sheet No. 25

ADULT BASIC EDUCATION<sup>2</sup>

## BACKGROUND

In the United States today there are 8.3 million adults 25 years of age and older who are functionally illiterate—who have not completed the fourth grade. Over 900,000 of these illiterate adults are 65 years of age and over. Of the nearly 23 million adults who have less than an eighth grade education, about one-half are over 45 years of age.

Persons with low educational attainment have great difficulty in meeting their economic and social needs in modern society. For older people—frequently beset with problems of health, low income, and the necessity of adapting to a changing way of life—undereducation represents an overwhelming handicap.

Uneducated and undereducated adults are not only limited in their personal development but their communities are deprived of the contributions they could make as trained volunteer workers or wage earners if adequately equipped to perform elementary tasks requiring some degree of proficiency in language and arithmetic.

Lower educational attainment is most prevalent among middle-aged and older people. Unless this problem is dealt with firmly and promptly, it will continue for several more decades.

## PROPOSAL

A 3-year program of grants to the States would be established for adult basic-education projects in the public schools or other facilities used by local educational agencies. An appropriation of \$5 million would be authorized for fiscal year 1964 and such sums as may be necessary the following 2 years. In the third year of the program, States would be required to match Federal funds on a 50-50 basis.

Funds would be allotted to the States on the basis of the number of adults unable to read and write English or who have less than an eighth grade education. The minimum allotment for each State would be \$50,000 per year.

Older people would have the opportunity to learn to read and write and do simple arithmetic and to acquire an elementary school education. This would not only enrich their personal lives but would open new doors for those in semiretirement who wish to obtain jobs and hold them. In addition, upgrading the educational attainment of parents and older people would tend to create greater appreciation of the importance of education of children thereby contributing to the general advancement of American education.

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<sup>2</sup> As proposed in the President's message on education and in the National Education Improvement Act of 1963.

## Fact Sheet No. 26

UNIVERSITY EXTENSION EDUCATION <sup>2</sup>

## BACKGROUND

Increasingly, education is being regarded as a lifelong process—as a means of personal enrichment as well as a means of obtaining skills and knowledge leading to new avenues of employment.

Many of the 17.5 million Americans now 65 years of age or over would benefit by continuing their formal education. Our society, too, would benefit from the contributions older citizens could make in any number of professional capacities where maturity is an asset.

A number of older men and women have gone back to college and have returned to the mainstream of American life as teachers and social workers and in other professional capacities. Many other older people would like to continue their education. They are held back, generally, by two things: The cost of tuition and the distance of colleges and universities from their homes. Many universities have expressed their desire to lower tuition fees and to provide additional teaching staff and curricula for older adults; they have been restricted by the necessity of making their extension courses fully self-supporting.

## PROPOSAL

Federal grants would be made available to State universities and land-grant colleges to help establish or expand publicly supported programs of general extension education at the college level or above.

Funds authorized for fiscal year 1964 would be \$9,040,000 to be matched on a 50-50 basis. The same sum would be authorized for each of the 2 succeeding fiscal years.

The passage of the proposed legislation would permit the universities to charge lower fees or no fees to older students. It would provide funds to help develop experimental education programs particularly suited to the needs of older people.

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 Fact Sheet No. 27
LIBRARY SERVICES <sup>2</sup>

## BACKGROUND

Free library service is vitally important to self-education, cultural growth, good citizenship, vocational competence, and the better use of leisure for the people of any community.

About three-fourths of the 17.5 million people 65 years of age or older live in urban areas. More and more, they spend leisure time—or want to spend leisure time—reading and using the public libraries

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<sup>2</sup> As proposed in the President's message on education and in the National Education Improvement Act of 1963.



for a variety of educational activities. But, in many urban areas, the library is the oldest public building, poorly located, and lacking space for books, materials, or people. Few public libraries have facilities designed to meet the special needs of older men and women.

#### PROPOSAL

The Library Services Act, passed in 1956 and extended in 1960 through June 30, 1966, is limited to assisting States in developing public library service in rural areas. It is proposed that the act be expanded to include other areas of the States and that funds be provided for construction grants to help build public libraries. Funds for expanding library services would be increased from the present \$7.5 to \$25 million a year, and funds for construction would be \$20 million for fiscal year 1964. Annually, each State would be allotted \$100,000 for library services and \$80,000 for library construction, plus additional sums based on relative population.

Older people would have increased physical accessibility to public libraries, for the numbers of public library outlets in neighborhoods should increase sharply.

The new buildings could be designed to meet the needs of the aged and the physically handicapped. In addition, bookmobiles could provide a greater flexibility and would be especially beneficial to older people who are unable to leave their homes.

Libraries would be enabled to provide new opportunities for older people to attend group programs, film showings, concerts, and group discussions and to take part in other activities designed to meet their special educational interests and needs.

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#### Fact Sheet No. 28

#### TEACHER PREPARATION <sup>2</sup>

#### BACKGROUND

This country has a serious shortage of adequately prepared teachers in the public elementary and secondary schools. There are also specialized needs for librarians, for teachers of gifted children and children who are physically or mentally handicapped, and for teachers of adult illiterates.

Among older people who have retired from industry, the professions, or the military service, there are many college-trained men and women who, given special preparation as teachers, could make a valuable contribution to the education of the younger generation. Their very maturity would be an important asset.

With financial help and encouragement, many older people, now retired, would welcome a chance to make this contribution and, at the same time, to find more rewarding lives for themselves.

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<sup>2</sup> As proposed in the President's message on education and in the National Education Improvement Act of 1963.

## PROPOSAL

Federal grants of \$7.5 million for fiscal year 1964, and such sums as may be necessary for each of the following 2 years, would be authorized to help colleges and universities strengthen programs for the preparation of elementary and secondary school teachers. In addition, grants totaling \$7.5 million for fiscal year 1964, and such sums as Congress considers necessary for the next 2 years, would be made to colleges and universities to help train teachers needing specialized courses. This program, which includes traineeships, would be open to public and private school personnel, college and community librarians, and educational researchers.

Older people would benefit in three ways: Those who are college graduates, and wish to do so, could receive financial assistance in their preparation to become teachers; those older people who need help to overcome illiteracy and undereducation would have more teachers available to help them; and preparation of leaders for older age groups could be extended by qualified universities.

LETTER FROM SECRETARY ANTHONY J. CELEBREZZE  
RELATIVE TO GRANTS TO THE STATES FOR THE  
DEVELOPMENT OF PROGRAMS IN AGING

DEPARTMENT OF HEALTH,  
EDUCATION, AND WELFARE,  
*Washington, D.C., April 22, 1963.*

HON. JOHN W. McCORMACK,  
*Speaker of the House of Representatives,*  
*Washington, D.C.*

DEAR MR. SPEAKER: I am transmitting herewith a draft of a bill to amend the Social Security Act so as to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, demonstration, or training project grants, through grants for construction of recreational activity centers, and through grants to stimulate employment opportunities. The bill, as the President indicated in his special message of February 21, 1963, relating to the elderly citizens of our Nation, has four principal purposes:

First, it will provide assistance to the States and, through the States, to the communities for the launching of a concerted program to establish and expand the services to our older citizens in terms of locally determined needs. Under part A of the new title XVII of the Social Security Act—"Grants for Community Planning, Services, and Training"—the States are provided financial assistance to help meet the costs of projects for (1) community planning and coordination of programs, (2) demonstrations of programs or activities, (3) training of special personnel needed to carry out such programs and activities, and (4) establishment of new or expansion of existing programs, except for costs of construction other than minor alterations or repairs.

Second, in the areas of broad concern and nationwide interest, parts B and C of the new title XVII will encourage and assist public and nonprofit private organizations, universities, professional schools, and other institutions to conduct research development or demonstration, and evaluation projects leading to the development of new and improved approaches and techniques to help older people and to improve coordination of community services for them, and to establish and expand programs for training the professional and technical personnel needed to provide the broad range of services which our older citizens need but cannot provide for themselves.

Third, part D of the new title XVII provides for grants to assist public and nonprofit private organizations in the construction of multipurpose recreational activity centers for older persons. The centers, some of which have been established in pioneering communities during the past decade, probably represent the most significant

new agency created to meet the needs of older citizens. They are providing opportunities for our older people to build new retirement lives based on the pursuit of new or revived interests and skills and recreation; find avenues for rendering important voluntary and civic services to their communities; make new friends to replace those lost through retirement, relocation, or death; secure educational experiences that promote health, literacy, and mental alertness; and secure personal counseling, information, or referral to other community services to help in the solution of their individual problems. In addition to demonstrating their usefulness in enabling older people to continue as active participants in ongoing community life, activity centers are preventing the kind of isolation and withdrawal which frequently results in premature physical and mental deterioration requiring care in mental hospitals, nursing homes, or other institutions.

Fourth, the bill provides for grants to assist public and nonprofit private organizations in carrying out experimental and demonstration projects to stimulate an expansion of employment opportunities for the large numbers of older persons who for financial and other reasons earnestly seek gainful employment. Without displacing presently employed persons or interfering with the established wage structure, numerous and imaginative opportunities exist for activities employing the skills and knowledge of our elderly citizens in the provision of needed services on full-time or part-time schedules.

Lengthening life expectancy has brought large increases in both the number and the proportion of older persons in our population and in the number of years they will spend in retirement. By 1970, more than 20 million persons, or every 10th American, will be 65 years of age or over. These added years, however, are often unhappy ones.

Many of our older citizens face special problems resulting from their circumstances—a considerable reduction in income after retirement while health costs rise and declining health requires more medical and other care; lack of opportunity to continue useful service to society and to enjoy productive and satisfying activities when ample leisure time becomes available; unsuitable or inadequate housing, etc.

While our present programs are helping meet some of the more serious problems, important gaps remain. The President's message of February 21, 1963, proposed a number of steps to help fill these gaps. One of these steps is the enclosed "Senior Citizens Community Planning and Services Act of 1963."

I will appreciate your referring this bill to the appropriate committee for its consideration.

The Bureau of the Budget advises that enactment of the enclosed draft bill would be in accord with the President's program.

Sincerely,

ANTHONY J. CELEBREZZE,  
*Secretary.*

SPEECH MADE ON APRIL 24, 1963, BY SENATOR GEORGE  
A. SMATHERS, INTRODUCING "THE SENIOR CITIZENS  
COMMUNITY PLANNING AND SERVICES ACT OF 1963"  
(S. 1357)

Mr. President, I introduce for appropriate reference a bill entitled "The Senior Citizens Community Planning and Services Act of 1963."

The bill would amend the Social Security Act by establishing a new title XVII to provide assistance in the development of new or improved programs to help older persons through grants to the States.

Briefly stated the bill, if adopted, would do the following:

Part A of the proposed new title XVII to the Social Security Act would provide financial assistance to the States to help meet the cost of projects for: First, Community planning and coordination of programs; second, demonstrations of programs or activities; third, training of special personnel needed to carry out such programs and activities; and fourth, establishment of new or expansion of existing programs, except for costs of construction other than minor alterations or repairs.

Parts B and C would encourage research, development, demonstration, and evaluation projects leading to the development of new and improved approaches and techniques to help older people, and would establish and expand training programs.

Part D would provide grants to assist public and nonprofit organizations in the construction of multipurpose recreational activity centers for older persons.

Part E would provide grants to assist public and nonprofit organizations in carrying out experimental and demonstration projects designed to stimulate an expansion of employment opportunities for older persons who desire to work.

Man's ancient desire to live longer is being realized at last. Life expectancy in this country has risen to 70 years. There are present today in our population 17½ million people aged 65 or older. Their numbers increase at the rate of a thousand each day.

Though this is a towering achievement of medical science, it has not yet been translated into a wholly successful human achievement.

These added years should be bonus years for the individual and for the Nation as well. They have not yet proved to be.

This is true partly because science is ahead of society—and perhaps ahead of itself—not realizing how quickly and extensively these added years would come and what profound changes they would bring with them.

Science built the bridge to longer life before the destination was prepared. Now we are attempting to carry on construction during the rush hour.

We have also been caught in the midst of other developments. As the number of people of older ages has increased, other balances have been shifting. The total population has increased, crowding housing, health facilities, and job opportunities.

The rural has given way to the urban and this, with increased mobility, changes the family structure and the place of the elderly within the family.

Thus, today, the senior citizen is not only a new category. He exists within a new framework. We have not quite known what to do with him. Nor have we thought sufficiently about what he could do for us. We have too often simply closed our eyes to his predicament and shut him out of sight.

In speaking of senior citizens, we have not fully recognized that we are not speaking of one group, but of many. The needs of the Nation's 10,369 men and women who have passed their century mark are very different from those of the 250,000 who are celebrating their 65th birthday each year.

Too often the tendency has been to equate the entire senior group of our population with infirmity—to think of everyone over the age of 65 as someone to be taken care of. This is patently a false grouping and a false assumption.

There are, in all age groups, the weak and the strong, the dependent and independent.

There are, of course, infirm aged—many of them—particularly among those beyond age 75. Many are bedridden. Many are mentally confused and unable to care for themselves. Four out of five persons over the age of 65 suffer from some chronic illness. We must be conscious of their needs.

But there are also sturdy, active, creative, and self-sufficient elderly men and women. We must be equally aware of their need to participate in life. Even among those with chronic ailments, there will be degrees of impairment. Some may need only to walk a little slower. Others may need certain aids in order to remain productive. Given such help, they can continue to contribute to their own happiness, to that of their families, and to the achievements of this Nation.

In point of fact, the elderly who are presently well and able are in many cases in as distressing a predicament as the chronically ill and infirm aged.

Retirement has too often meant a forced disengagement from life. In contrast, this increased lifespan of the individual could mean that, for the first time in history, a nation exists in which the people will have time enough to think, time enough to reach full self-realization.

It now could mean that when men and women reach the time of retirement, which was once nearly the end of life, they are merely at the beginning of a whole new period of later maturity.

The immediate personal needs for a private career and family have been taken care of. There is time left. There is energy left. There is experience available for public service. A new dimension could be added to life, but it will take action to bring this about.

Ironically, the scientific and technical advances which have made longer life possible for more people also make utilization of this gift more difficult.

In earlier societies few lived to be old and the majority of those who did were able to reserve to themselves—or were assigned—functions essential to the survival of the group.

The elders were the counselors of the people. It is harder for us today to provide this role for our senior citizens, despite the fact that the older members of any group are still its true source of continuity, and a resource of experience, talent, and skill.

Simply put, what all senior citizens need today is "A place in the world." This may be a relationship, a friend, a job to do, a role to fill, a house in which an elderly person can move about safely, a nursing home bed, home care—a chance to live, not by sufferance taking up room in somebody else's world but by continuing their earned right in their own world.

This is a goal—simple to state—but not simple to achieve.

The enactment of the Senior Citizens Community Planning and Services Act of 1963 will contribute greatly to its achievement.

It is only in recent years that we have begun to understand this variety of need. We have begun at last to seek appropriate solutions.

On the national scene, the Congress has, in the last 2 years, provided new tools to do these things—the Community Health Services and Facilities Act of 1961 and the Public Welfare Amendments of 1962, in particular, have made possible a wider array of services.

The work of the President's Council on Aging and of the Office of Aging in the Department of Health, Education, and Welfare in coordinating and stimulating programs and progress for senior citizens is having and will have an important effect.

The heart of any program for the elderly must be opportunities for, and actual services to, older citizens in their home communities.

While at the Federal level we can urge greater opportunities for older men and women, it is the community that must develop the specific plans and offer the services.

That is why perhaps the most significant proposal of all the proposals in the President's message on the elderly is that calling for the establishment of a 5-year program of grants to States and localities, to public and voluntary organizations, educational institutions, to serve the elderly, to make possible comprehensive, coordinated, adequate services and programs.

Enactment of the proposed legislation entitled "The Senior Citizens Community Planning and Services Act of 1963" would carry out this part of the President's program.

It would provide Federal financial assistance to those who would provide care and opportunity for the elderly on their home grounds. It involves four kinds of grants under four major titles.

## PART A—GRANTS FOR COMMUNITY PLANNING, SERVICES, AND TRAINING

Under part A, the new title XVII of the Social Security Act would provide formula grants to each State based on the ratio of the State's population aged 65 or older to the national population of that age. These moneys are to be used by the State to strengthen its program and agencies for the aging and to work with communities to strengthen theirs. Funds would be available for community planning and coordination of programs, establishment, expansion, and demonstrations of programs and services, and the training of necessary personnel.

A comprehensive State plan would be drawn up; a single State agency would administer or supervise the program.

The States are deeply concerned with the needs of their older citizens. Many have moved to action with increasing urgency. Permanent State commissions or committees on the aging have been established in 34 States, Puerto Rico, and the Virgin Islands; temporary State units exist in 9 other States. But only 25 of these State agencies have a State appropriation—in most cases very small—and only 22 have a full-time executive director or secretary.

Funds proposed under this part of title XVII would permit States to encourage planning and coordinating committees in cities and counties to determine the needs of their older citizens and to stimulate public and voluntary agencies to develop communitywide programs of health, social services, employment, recreation, education, and housing to meet them.

Pilot projects could be developed and existing programs improved in such areas as preretirement education, the teaching of creative skills, development of social and recreational programs, provision of meal centers and home-delivered meals, establishment of home-maker services, development of sales outlets for senior craftsmen, and such safety measures as establishment of special telephone service to maintain contact with older people living alone.

Grants could be made by the States from their allotments to agencies and organizations such as adult education and training centers and university extension services.

These Federal funds would make it possible for the State to obtain and maintain up-to-date information on the numbers and general needs of their older citizens, to analyze existing programs and available services, to plan improvements, new approaches, and techniques. In particular they would make possible better coordination of services and provision of guidance and consultation to communities.

I ask unanimous consent that a table of State allotments indicating the Federal sum each State can expect to receive under part A in the peak years of the program be inserted in the record at this point of my remarks.



*Estimated allotments to the States under part A of the Senior Citizens  
Community Planning and Services Act of 1963*

	<i>Maximum annual allotment</i>		<i>Maximum annual allotment</i>
Total-----	\$12, 500, 000. 00	Nebraska-----	\$182, 195. 00
Alabama-----	215, 965. 63	Nevada-----	131, 335. 63
Alaska-----	126, 860. 00	New Hampshire-----	148, 598. 75
Arizona-----	156, 445. 63	New Jersey-----	320, 241. 87
Arkansas-----	192, 715. 63	New Mexico-----	142, 844. 37
California-----	604, 356. 87	New York-----	712, 818. 13
Colorado-----	180, 102. 50	North Carolina-----	233, 751. 87
Connecticut-----	209, 513. 75	North Dakota-----	145, 401. 87
Delaware-----	137, 438. 75	Ohio-----	437, 538. 13
District of Columbia-----	149, 063. 75	Oklahoma-----	211, 664. 37
Florida-----	317, 684. 37	Oregon-----	188, 995. 63
Georgia-----	226, 253. 75	Pennsylvania-----	518, 099. 37
Hawaii-----	135, 171. 87	Rhode Island-----	156, 213. 13
Idaho-----	145, 285. 63	South Carolina-----	177, 486. 87
Illinois-----	464, 624. 37	South Dakota-----	149, 935. 63
Indiana-----	280, 193. 75	Tennessee-----	232, 589. 37
Iowa-----	239, 157. 50	Texas-----	334, 644. 37
Kansas-----	208, 700. 00	Utah-----	145, 866. 87
Kentucky-----	226, 835. 00	Vermont-----	140, 228. 75
Louisiana-----	209, 165. 00	Virginia-----	225, 672. 50
Maine-----	162, 141. 87	Washington-----	222, 185. 00
Maryland-----	203, 933. 75	West Virginia-----	185, 101. 25
Massachusetts-----	324, 136. 25	Wisconsin-----	265, 313. 75
Michigan-----	347, 328. 13	Wyoming-----	134, 009. 38
Minnesota-----	248, 457. 50	Puerto Rico-----	167, 547. 50
Mississippi-----	191, 204. 37	Virgin Islands-----	63, 255. 63
Missouri-----	300, 363. 13	Guam-----	62, 906. 88
Montana-----	147, 785. 00	American Samoa-----	62, 674. 38

**PARTS B AND C—RESEARCH, DEMONSTRATION, AND TRAINING PROJECTS**

Parts B and C of the new title would provide funds for research, demonstration, and training grants to be made by the Secretary of Health, Education, and Welfare, with the advice of a 15-man advisory committee and special review committees.

Under this provision grants could be made to public and nonprofit agencies, voluntary organizations, institutions, and individuals to develop or demonstrate new approaches, techniques, and methods, which hold promise of substantially contributing to worthwhile and meaningful life for older persons.

Research is needed in many areas. There are great gaps in our knowledge about the elderly. Many current approaches and programs need to be evaluated and improved. Current patterns and conditions of living of older persons need to be studied to determine what factors are beneficial and what detrimental.

We know little of the social-psychological processes of aging.

We know little of the preferences and patterns of older people as consumers.

We know little of the most satisfactory design and method of providing services in housing projects for older people.

We know little of the extent and kinds of activity in which older people are interested and of which they are capable.

Demonstration projects would, in the main, be pilot projects of national scope and significance, which could serve or be adapted to varying local conditions.

They could, for example, include experiments in total community organization designed to keep older people informed of all services available to them.

They could be experiments in activity, education, and recreational programs and concerted social services within or adjacent to senior housing projects designed to determine which are most effective in maintaining independence, mental health, community participation, and good family relationships among older people.

They could be projects to develop teaching and training tools, study units and materials, for use by educational institutions and the professions.

Training of personnel to teach and work with the elderly is greatly needed. Institutions of higher education have only begun to work in this field. Colleges, universities, and professional schools need teachers with knowledge of aging, and almost every profession and technical occupation involved in serving older people is acutely short of persons adequately prepared to work with them.

There is immediate need for university-based training and research centers in all parts of the country.

The proposed legislation would provide funds for internships and fellowships, for establishment of courses, institutes of gerontology, and development of new training materials and curriculums.

#### PART D—CONSTRUCTION OF RECREATIONAL ACTIVITY CENTERS

Part D of the new title would provide grants for construction, remodeling, or equipping multipurpose recreational activity centers for the elderly.

These unique centers are essentially community centers especially designed for older people. Comparatively new to the American scene, they are generally regarded as the most important facility that has come into existence in connection with community efforts to meet the needs of their older people.

They serve both the elderly and the community.

They provide opportunity for older people to continue as active participants in community life, to build retirement lives based on the pursuit of interests, skills, and recreation.

They help prevent tragic withdrawal and isolation which so often lead to premature physical and mental deterioration and hospitalization, and consequent family breakdown.

For the community they provide a point of contact at which to offer older people educational experiences promoting health, literacy, and mental alertness, a place to give personal counseling and information concerning existing community services, and a source from which to recruit the elderly for volunteer service to others in the community.

Although there has been a widespread increase in interest and development of such centers over the past 15 years, most of them today

exist in old houses, store buildings, lofts, and other makeshift quarters, often unsafe and poorly suited to the purposes they are intended to serve.

Ideally, a senior activity center would offer as many as 50 or 60 different activities in response to the widely varying interest of older people. It should be centrally located, accessible by public transportation and, preferably, in an area where retired people are concentrated. It would be open every day and often during the evenings. The membership fee, if any, would never be too high to preclude low-income people.

Construction grants for these centers could be made by the Secretary of Health, Education, and Welfare, to public agencies or voluntary organizations. Staffing and operating of the centers could be assisted under the State formula grants in part A. The programs contemplated by the centers applying for construction grants would be subject to approval by appropriate local authorities.

#### PART E—SPECIAL PROJECTS TO STIMULATE EMPLOYMENT OPPORTUNITIES

Part E of the new title XVII provides for grants to stimulate employment opportunities for the elderly, primarily through projects to demonstrate their employability.

It is one of the anomalies of our day that while more people reach their 65th birthday than ever before, the percentage of older persons in gainful employment has declined steadily. To the extent that this is a result of voluntary retirement, it is good. No one would deny retirement to the worker who seeks it after many years of toil.

But there is evidence that for many of our older citizens, retirement is forced and unwelcome. They are able to work. They wish to work, yet opportunity is denied them, largely because of age. As the President has said, rules of employment that are based upon the calendar rather than upon ability are not good rules. No economy can reach its maximum productivity by wasting its human resources. This is both personal tragedy and a national loss.

Prevailing attitudes, casting doubt upon the capability of senior citizens to continue working beyond arbitrary retirement age, are major barriers to their employment. Yet, as the Presidential message points out, studies of the Department of Labor show large numbers of older workers exceeding the average performance of younger workers, and doing so with steadiness, loyalty, and dependability.

In order to demonstrate this employment capability of older citizens, part E of title XVII under the administration of the Secretary of Labor, would make grants available to public and nonprofit agencies to provide employment to older persons in public or community undertakings or services that would not otherwise be possible.

#### PART F—GENERAL—ADVISORY COMMITTEES AND ADMINISTRATION

To strengthen the effectiveness and administration of all grant programs in the act, part F of the new title would establish, in the Department of Health, Education, and Welfare, an Advisory Committee on Aging, made up of 15 distinguished citizens, men and women of demonstrated experience and interest in special problems of the

aging. They would advise the Secretary of Health, Education, and Welfare on matters of general policy concerned with the program. Each member would hold office for a term of 3 years; none should be otherwise in the employ of the United States.

In addition, part F would authorize the Secretary of Health, Education, and Welfare and the Secretary of Labor, in administering their respective functions under the act, to draw upon the services and facilities of "any agency of the Federal Government and of any other public or nonprofit private agency or institution" that can be of assistance in strengthening the program.

The Secretary of Health, Education, and Welfare in carrying out the purposes of the title could give consultative services and technical assistance to public nonprofit private agencies, organizations, and institutions. He can provide short-term training and technical instruction. He can also conduct research and demonstrations, and can collect, prepare, publish, and disseminate special educational and information materials to assist the purposes of the act, including reports of projects for which funds are provided under the act.

#### SUMMARY

I have, of necessity, greatly condensed my description of this far-ranging piece of legislation. It is, I feel, of equal importance to any in our entire program for the elderly.

This proposed legislation would cost a total of \$149 million over a 5-year period. I believe our senior citizens are deserving of this investment.

I cannot imagine anyone opposed to the services proposed. I can imagine some thinking, perhaps, "Yes they're fine—I'm all for them, but we have to take care of the young first, and then the middle aged and productive. We can leave the old folks till last."

May I say they have been left till last too long. And our point is that they are or can be productive to themselves, their communities, their Nation. We cannot delay any longer. In counting their numbers, we have become eyewitnesses to their need.

I would like to speak out against the ridiculous fallacy that somehow these people are different from others, that they were always old—that they sprang full fashioned at age 65 from somewhere. These people were the young. They bore the burdens of the Nation and of those who were old, in their young days. They are us—ourselves—a few years from now—only we will have benefited by years of social enlightenment and legislation.

As President Kennedy said in his special aging message to the Congress:

Place, prestige, status, cannot be legislated. But we can see that legislation enhances the opportunity to obtain them.

This enhancement of opportunity for the elderly is one of the major purposes of the new title XVII of the Social Security Act which Senior Citizens Community Planning and Services Act of 1963 would establish. It is intended to make possible continued, extended, improved and new services and programs, yes; but it is also designed to help change the picture—the stereotype—so many carry in their minds of older persons. Its aim is a fair one—a place in the world.

The assistance to be provided under this proposed legislation will not duplicate services now possible under other grant programs; indeed it will make possible the more effective use of these grants.

The very act of developing a comprehensive community plan, of drawing together and evaluating existing services, will enable communities to discover where gaps exist, where unnecessary duplications lie, and to determine precisely where a health grant is most needed, a sound social service program should be strengthened, or an adult education program or senior housing development is justified.

Program operations and services made possible by enactment of the measure would not infringe upon the prerogatives of State or local health, welfare, recreation, education, or housing agencies, but would assist and work with and through existing authorities wherever possible.

Just as the Federal Government, through the Children's Bureau now in the Welfare Administration, of the Department of Health, Education, and Welfare, has long been able to assist States and communities in meeting the needs of children in both health and social welfare fields largely through grants-in-aid and the stimulation of research and demonstration projects, so should the Government be able to assist States and communities in similar broad programs for the elderly.

What we do for our elderly citizens today will allow us to touch hands with the past through their experiences.

What we do today for those who will be senior citizens in the future will indicate something of the value we really place upon the gift of added life.

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[S. 1357, 88th Cong., 1st sess.]

Mr. SMATHERS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL To amend the Social Security Act so as to provide assistance in the development of new or improved programs to help older persons through grants to the States for community planning and services and for training, through research, development, or training project grants, through grants for construction of recreational activity centers, and through grants to stimulate employment opportunities

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Citizens Community Planning and Services Act of 1963".*

SEC. 2. The Social Security Act is amended by adding at the end thereof the following new title:

**"TITLE XVII—GRANTS FOR COMMUNITY PLANNING AND SERVICES, RESEARCH OR TRAINING PROJECTS, CONSTRUCTION OF RECREATIONAL ACTIVITY CENTERS FOR OLDER PERSONS, AND PROJECTS FOR STIMULATION OF EMPLOYMENT OPPORTUNITIES FOR OLDER PERSONS**

**"FINDINGS AND DECLARATION OF PURPOSES**

**"SEC. 1700. (a) The Congress hereby finds and declares that the life expectancy of our population, the number and proportion of aged people in our population, and the number of years that aged persons spend in retirement all have vastly increased and may be expected to continue to increase; that too many older persons do not enjoy as good health as modern medical science can make possible; that too many experience difficulty in securing suitable employment and, for this and other reasons, are dependent or fear that they will become dependent; that too many lack suitable housing and opportunities for adult education, for**

recreation, and for making the contributions to our communities and to our society of which they are capable and which would make their own lives more rewarding; that all of these shortcomings in the way of life of our older people deprive our communities and our Nation of a contribution that would strengthen and enrich our society.

“(b) The policy of the Federal Government and the purposes of this Act are to assist in developing new or improved methods and techniques for achieving more effective community services for older persons and in training personnel needed for such purpose, and to encourage the coordination of efforts among governmental and nongovernmental agencies at National, State, and local levels with the objective of providing, among other things, more effective and better coordinated community services for our older persons.

“PART A—GRANTS FOR COMMUNITY PLANNING, SERVICES AND TRAINING

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 1701. There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$8,000,000 for the fiscal year ending June 30, 1965, and \$12,500,000 for each of the next three fiscal years, for grants by the Secretary to States for projects for—

“(1) community planning and coordination of programs for carrying out the purposes of this title;

“(2) demonstrations of programs or activities which are particularly valuable in carrying out such purposes;

“(3) training of special personnel needed to carry out such programs and activities; and

“(4) establishment of new or expansion of existing programs to carry out such purposes, including establishment of new or expansion of existing centers providing recreational and other leisure-time activities, and informational, health, welfare, counseling, and referral services for older persons and assisting such persons in providing volunteer community or civic services; except that no costs of construction, other than for minor alterations and repairs, shall be included in such establishment or expansion.

“ALLOTMENTS

“SEC. 1702. (a) (1) From the sum appropriated for a fiscal year under section 1701(A) the Virgin Islands, Guam, and American Samoa shall be allotted an amount equal to one-half of 1 per centum of such sum and (B) each other State shall be allotted an amount equal to 1 per centum of such sum.

“(2) From the remainder of the sum so appropriated for a fiscal year each State shall be allotted an additional amount which bears the same ratio to such remainder as the population aged sixty-five or over in such State bears to the population aged sixty-five or over in all of the States, as determined by the Secretary on the basis of the most recent information available to him, including any relevant data furnished to him by the Department of Commerce.

“(3) A State's allotment for a fiscal year under this part shall be equal to the sum of the amounts allotted to it under paragraphs (1) and (2).

“(b) The amount of any allotment to a State under subsection (a) for any fiscal year which the State notifies the Secretary will not be required for carrying out the State plan (if any) approved under this part shall be available for reallocation from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines (1) have need in carrying out their State plans so approved for sums in excess of those previously allotted to them under subsection (a) and (2) will be able to use such excess amounts for projects approved by the State during the period for which the original allotment was available. Such reallocations shall be made on the basis of the State plans so approved, after taking into consideration the population aged sixty-five or over. Any amount so reallocated to a State shall be deemed part of its allotment under subsection (a).

“(c) The allotment of any State under subsection (a) for any fiscal year shall be available for grants to pay part of the cost of projects in such State described in section 1701 and approved by such State (in accordance with its State plan approved under section 1703) prior to the end of such year or, in the case of allotments for the fiscal year ending June 30, 1964, prior to July 1, 1965.

To the extent permitted by the State's allotment under this section such payments with respect to any project shall equal 75 per centum of the cost of such project for the first year of the duration of such project, 60 per centum of such cost for the second year of such project, and 50 per centum of such cost for the third year of such project; except that (1) at the request of the State, such payments shall be less (to the extent requested) than such percentage of the cost of such project, and (2) grants may not be made under this part for any such project for more than three years or for any period after June 30, 1970.

"STATE PLANS

"SEC. 1703. (a) The Secretary shall approve a State plan for purposes of this part which—

"(1) establishes or designates a single State agency as the sole agency for administering or supervising the administration of the plan, which agency shall be the agency primarily responsible for coordination of State programs and activities related to the purposes of this title;

"(2) provides for such financial participation by the State or communities with respect to activities and projects under the plan as the Secretary may by regulation prescribe in order to assure continuation of desirable activities and projects after termination of Federal financial support under this part;

"(3) provides for development of programs and activities for carrying out the purposes of this title, including the furnishing of consultative, technical, or information services to public or nonprofit private agencies and organizations engaged in activities relating to the special problems or welfare of older persons, and for coordinating the activities of such agencies and organizations to the extent feasible;

"(4) provides for consultation with and utilization, pursuant to agreement with the head thereof, of the services and facilities of appropriate State or local public or nonprofit private agencies and organizations in the administration of the plan and in the development of such programs and activities;

"(5) provides such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan;

"(6) sets forth principles for determining the priority of projects in the State, and provides for approval of such projects in the order determined by application of such principles;

"(7) provides for approval of projects of only public or nonprofit private agencies or organizations and for an opportunity for a hearing before the States agency for any applicant whose application for approval of a project is denied; and

"(8) provides that the State agency will make such reports to the Secretary, in such form and containing such information, as may reasonably be necessary to enable him to perform his functions under this part and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

The Secretary shall not finally disapprove any State plan, or any modification thereof submitted under this section without first affording the State reasonable notice and opportunity for a hearing.

"(b) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a State plan approved under subsection (a), finds that—

"(1) the State plan has been so changed that it no longer complies with the provisions of subsection (a), or

"(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Secretary shall notify such State agency that no further payments will be made to the State under this part (or, in his discretion, that further payments to the State will be limited to projects under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments shall be made to such State under this part (or payments shall be limited to projects under or portions of the State plan not affected by such failure).

"(c) A State which is dissatisfied with a final action of the Secretary under subsection (a) or (b) may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

#### "COSTS OF STATE PLAN ADMINISTRATION

"Sec. 1704. From a State's allotment under section 1702 for a fiscal year, not more than 10 per centum or \$15,000, whichever is the larger, shall be available for paying one-half (or such smaller portion as the State may request) of the costs of the State agency (established or designated as provided in section 1703 (a) (1) in administering the State plan approved under section 103, including the costs of carrying on the functions referred to in subsection (a) (3) thereof.

#### "PAYMENTS

"Sec. 1705. Payments under this part may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments, as the Secretary may determine.

#### "PART B—RESEARCH AND DEVELOPMENT PROJECTS

##### "PROJECT GRANTS

"Sec. 1711. The Secretary is authorized to carry out the purposes of this title through grants to any public or nonprofit private agency, organization, or institution and contracts with any such agency, organization, or institution or with any individual—

"(a) to study current patterns and conditions of living of older persons and identify factors which are beneficial or detrimental to the wholesome and meaningful living of such persons;

"(b) to develop or demonstrate new approaches, techniques, and methods (including multipurpose activity centers) which hold promise of substantial contribution toward wholesome and meaningful living for older persons;

"(c) to develop or demonstrate approaches, methods, and techniques for achieving or improving coordination of community services for older persons;

or

"(d) to evaluate these approaches, techniques, and methods, as well as others which may assist older persons to enjoy wholesome and meaningful living and to continue to contribute to the strength and welfare of our Nation.

##### "PAYMENTS OF GRANTS

"Sec. 1712. (a) To the extent he deems it appropriate, the Secretary shall require the recipient of any grant or contract under this part to contribute money, facilities, or services for carrying out the project for which such grant or contract was made.



"(b) Payments under this part pursuant to a grant or contract may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

#### "PART C—TRAINING PROJECTS

##### "PROJECT GRANTS

"SEC. 1721. The Secretary is authorized to make grants to or contracts with any public or nonprofit private agency, organization, or institution for the specialized training of persons employed or preparing for employment in carrying out programs related to the purposes of this title.

##### "PAYMENT OF GRANTS

"SEC. 1722. (a) To the extent he deems it appropriate, the Secretary shall require the recipient of any grant or contract under this part to contribute money, facilities, or services for carrying out the project for which such grant or contract was made.

"(b) Payments under this part pursuant to a grant or contract may be made (after necessary adjustment, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

#### "PART D—CONSTRUCTION OF RECREATIONAL ACTIVITY CENTERS

##### "AUTHORIZATION OF APPROPRIATIONS

"SEC. 1731. There are authorized to be appropriated \$2,500,000 for the fiscal year ending June 30, 1964, \$4,000,000 for the fiscal year ending June 30, 1965, and \$7,500,000 for each of the next three fiscal years, for grants for paying one-half of the costs of projects for the construction of public or nonprofit private centers providing recreational and other leisure-time activities and informational, counseling, and referral services for older persons and providing assistance to such persons in providing volunteer community or civic services (hereinafter in this part referred to as 'recreational activity centers'). Such grants may be made only for projects for which applications are approved by the Secretary under this section.

##### "APPLICATIONS

"SEC. 1732. To be approved, an application for a grant for a construction project under this part must—

"(a) contain or be supported by reasonable assurances that (1) for a period of not less than ten years after completion of construction of the project it will be used as a public or nonprofit private recreational activity center, (2) sufficient funds will be available to meet the non-Federal share of the cost of construction of the project, (3) sufficient funds will be available, when construction of the project is completed, for its effective use as an activity center;

"(b) be accompanied or supplemented by plans and specifications which comply with regulations of the Secretary relating to minimum standards of construction and equipment;

"(c) describe the program to be carried on in such center and the staffing contemplated therefor, and show that such program has been approved by the appropriate local public authority on the basis of its determination that such center will make a substantial contribution to provision of services for older persons in the community and will otherwise promote the objectives of this Act;

"(d) contain or be supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the project (1) will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and (2) will receive overtime pay in accordance with and subject to the provisions of the Contract Work Hours Standards Act (Public Law 87-581); and the Secretary of Labor shall have, with respect to the labor standards specified in this para-

graph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

#### "RESERVATION OF FUNDS

"SEC. 1733. Upon approval of any application for a grant for a construction project under this part, the Secretary shall reserve, from the appropriation for the fiscal year in which the application is approved (or, in the case of applications approved during the fiscal year ending June 30, 1965, the appropriation for such year or the preceding year), an amount equal to one-half of the cost of such project under section 1731; the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress and on such conditions as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction; and any resulting increase in such reservation may be paid from the appropriation from which the original reservation was made or the appropriation for the fiscal year in which such amendment is made.

#### "RECAPTURE OF PAYMENTS

"SEC. 1734. If, within ten years after completion of any construction project for which funds have been paid under this part, the facility with respect to which they were paid shall cease to be a public or nonprofit private recreational activity center, the United States shall be entitled to recover from the applicant or other owner of the center the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such center is situated) of the center, as the amount of the Federal participation bore to the cost of construction of such center.

### "PART E—SPECIAL PROJECTS TO STIMULATE EMPLOYMENT OPPORTUNITIES

#### "PROJECT GRANTS

"SEC. 1741. (a) For the purpose of demonstrating the employment capacity and utility of older workers, the Secretary of Labor is authorized to make grants to public or nonprofit private agencies and organizations for experimental or demonstration projects which will enlist most effectively the cooperation of such agencies and organizations for this purpose.

"(b) No project shall be approved under this part unless the Secretary of Labor, pursuant to such regulations as he may prescribe, determines—

"(1) that the employment to be provided thereby will permit or contribute to a public or community undertaking or service that will not otherwise be provided;

"(2) that such employment will not result in the displacement of regular workers; and

"(3) that the rates of pay and other conditions of employment are appropriate and reasonably consistent with the rates and conditions applicable with respect to comparable work in the locality.

#### "AGREEMENTS AND PAYMENTS

"SEC. 1742. Whenever a project of a public or nonprofit private agency or organization is approved under this part, the Secretary of Labor may enter into an agreement with such agency or organization for carrying out such project. The Secretary of Labor shall, to the extent practicable, coordinate projects under this part with other community plans for older persons. Up to 50 per centum of the costs of any such project may be paid. Any agreement under this section shall contain such provisions as may be necessary to insure that employees are employed in accordance with the provisions of this part, shall provide for systematic evaluation by the Secretary of Labor of the progress and achievements of the project, and may provide that the Secretary of Labor may, where he deems it essential to accomplishment of the project, furnish tools, clothing, transportation, or similar items, and necessary training or retrain-

ing, for employees. Payments with respect to any project under this section may be made in advance or by way of reimbursement, in such installments and on such conditions as the Secretary of Labor finds necessary to carry out the purposes of this part.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1743. There are authorized to be appropriated for carrying out this title \$10,000,000 each for the fiscal year ending June 30, 1964, and the next four fiscal years.

"PART F—GENERAL

"ADVISORY COMMITTEES

"SEC. 1751. (a) (1) For the purpose of advising the Secretary of Health, Education, and Welfare on matters bearing on his responsibilities under this title and related activities of his Department, there is hereby established in the Department of Health, Education, and Welfare an Advisory Committee on Aging, consisting of the Secretary or his designee, who shall be chairman, and fifteen persons not otherwise in the employ of the United States, appointed by the Secretary without regard to the civil service laws. Members shall be selected from among persons who are experienced in or have demonstrated particular interest in special problems of the aging.

"(2) Each member of the Committee shall hold office for a term of three years except that (A) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (B) the terms of office of the members first taking office shall expire, as designated by the Secretary of Health, Education, and Welfare at the time of appointment, five at the end of the first year, five at the end of the second year, and five at the end of the third year after the date of appointment.

"(b) The Secretary of Health, Education, and Welfare and the Secretary of Labor are each authorized to appoint, without regard to the civil service laws, such technical advisory committees as such Secretary deems appropriate for advising him in carrying out his functions under this title.

"(c) Members of the Advisory Committee on Aging or of any technical advisory committee appointed under this section, who are not regular full-time employees of the United States, shall, while attending meetings or conferences of such committee or otherwise engaged on business of such committee, be entitled to receive compensation at a rate fixed by the Secretary who appointed them, but not exceeding \$75 per diem, including travel time, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

"ADMINISTRATION

"SEC. 1752. (a) In carrying out the purposes of this title, the Secretary of Health, Education, and Welfare and, with respect to employment and employment opportunities for older workers, the Secretary of Labor are each authorized to provide consultative services and technical assistance to public or nonprofit private agencies, organizations, and institutions; to provide short-term training and technical instruction; to conduct research and demonstrations; and to collect, prepare, publish, and disseminate special educational or informational materials, including reports of the projects for which funds are provided under this title.

"(b) In administering their respective functions under this title, the Secretary of Health, Education, and Welfare and the Secretary of Labor are each authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or nonprofit private agency or institution, in accordance with agreements between the Secretary concerned and the head thereof, and to pay therefor, in advance or by way of reimbursement, as may be provided in the agreement.

## "AUTHORIZATION OF APPROPRIATIONS

"SEC. 1753. There are authorized to be appropriated \$1,500,000 for the fiscal year ending June 30, 1964, \$3,000,000 for the fiscal year ending June 30, 1965, and \$5,000,000 for each of the next three fiscal years, for carrying out parts B and C of this title.

## "DEFINITIONS

"SEC. 1754. For purposes of this title—

"(1) The term 'nonprofit' as applied to any agency, organization, or institution means an agency, organization, or institution which is, or is owned by, one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(2) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(3) The term 'construction', except for purposes of section 1701, includes construction of new buildings and expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such new, expanded, remodeled, altered, or renovated buildings.

"(4) The 'cost' of construction includes the cost of architects' fees in connection with construction, but does not include the cost of acquisition of land or off-site improvements."

SEC. 3. As used in the parts B and C of title XVII of the Social Security Act (added by this Act), the term "Secretary" means the Secretary of Health, Education, and Welfare.

LETTER FROM SECRETARY ANTHONY J. CELEBREZZE  
RELATIVE TO CHANGES IN PUBLIC WELFARE PRO-  
GRAMS FOR OLDER PEOPLE

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
*Washington, April 22, 1963.*

HON. JOHN W. MCCORMACK,  
*Speaker of the House of Representatives,  
Washington, D.C.*

DEAR MR. SPEAKER: Enclosed is a draft of a bill "To improve the public assistance provisions of the Social Security Act relating to aged individuals, and for other purposes."

This bill carries out the President's recommendations for aged recipients of public assistance in his message to Congress relative to the elderly citizens of our Nation. It is intended to help to accomplish more effectively the objectives of the old-age assistance program by providing more adequately for the needy aged. Under the bill five changes would be made in this program.

The bill would improve the States medical care programs for aged recipients. It would insure, after June 30, 1965, availability of medical care for those eligible for old-age assistance, at least equal to that available to persons receiving medical assistance for the aged. In six States at present the recipients of old-age assistance, the most needy of the aged, receive less medical care than recipients of medical assistance for the aged. The bill would require as a condition of approval that the State plan provides that there shall be available to an individual who meets the eligibility standards for old-age assistance medical care and services at least equal to those available as medical assistance for the aged. The proposed change, however, would not prevent a State from offering more extensive medical care under old-age assistance than under medical assistance for the aged.

Under present law, in old-age assistance and medical assistance for the aged, there is Federal financial participation in State payments for medical care made in behalf of aged individuals in general medical institutions who are there because of a diagnosis of psychosis or tuberculosis, but only for a 42-day period. There is no Federal sharing in money payments to such individuals. In order to help the States finance the care that is needed for such persons in a general medical institution, the bill would delete the 42-day limitation in old-age assistance and medical assistance for the aged and permit Federal financial participation in money payments in old-age assistance. This would in many instances make treatment available in the home community of the patient rather than in a State institution elsewhere.

There is increasing recognition of the problem aged persons have in obtaining proper housing. In fact, many in the low income group are living in substandard housing, including those meeting their rental payments through old-age assistance. The bill would require as

a condition for the approval of the State old-age assistance plan that the State establish or designate a State agency which would be responsible for maintaining standards of health and safety in housing rented to recipients of old-age assistance. This provision, which would become effective in 1966, would provide an essential safeguard for the living arrangements of a highly vulnerable group in the population, the needy aged.

The Federal law providing grants to States for old-age assistance permits the States to have residence requirements as long as 5 years out of the last 9 years before application. In order to alleviate individual hardship, and to help reduce costly administrative procedures, this bill would gradually reduce the maximum residence requirement a State may impose. By January 1, 1968, the maximum would be not more than 3 years out of the last 9, and as of January 1, 1970, not more than 1 year.

Lastly, there are persons receiving old-age assistance who, because of a physical or mental condition, are in need of protection in the use of their payment. While they may not be so handicapped as to be in need of legal guardianship, they require some services in managing their money. Such persons are apt to lose their assistance checks or be subject to exploitation by unscrupulous persons. The bill would permit States, that have made a determination that a needy individual is unable to manage funds because of his physical or mental condition, to make payments with Federal financial participation to a third person concerned with the recipient's welfare. The bill contains safeguards relating to the determination of the need for protective payments, provisions for periodic review of the recipient's circumstances, and a right to appeal the determination that he is unable to handle his money.

Comparable changes would also be made in title XVI of the Social Security Act which authorizes grants to the States for aid to the aged, blind, or disabled (including medical assistance for the aged).

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

ANTHONY J. CELEBREZZE,  
*Secretary.*

SPEECH MADE ON APRIL 24, 1963, BY SENATOR GEORGE A. SMATHERS INTRODUCING "THE SENIOR CITIZENS PUBLIC WELFARE AMENDMENTS OF 1963" (S. 1358)

Mr. President, I introduce for appropriate reference a bill entitled "The Senior Citizens Public Welfare Amendments of 1963."

This bill has as its purpose a number of important improvements in provisions in titles I and XVI of the Social Security Act, which deal with our Federal-State programs of old-age assistance.

Section 2 of the bill would require States to provide medical protection for old-age assistance recipients which would be at least equal to that provided those in the new medical category established pursuant to the Kerr-Mills Act.

Section 3 would eliminate the 42-day limitation for medical care in a general hospital for a person suffering from mental illness or tuberculosis.

Section 4 would provide that as a condition for receiving Federal grants for old-age assistance, a State's plan must establish and maintain standards of health and safety for housing rendered to recipients of this program.

Section 5 would provide that the maximum period of residence which may be required for eligibility under old-age assistance programs be gradually reduced to 1 year by 1970.

Section 6 would provide that protective payments under old-age assistance may be made to a third party in behalf of the needy recipient comparable to provisions adopted last year for dependent children.

Of the 17½ million persons aged 65 and over in this country today, somewhat less than 1 in 7 or about 2¼ million receive old-age assistance payments.

These payments are made on the basis of individual need and these 2¼ million aged are accordingly the neediest among our senior citizens. About half of them are over age 76. About one-third of them are 80 or over. A large majority of them are women. Many of them are widows whose husbands died before they were able to qualify for old-age and survivors insurance benefits.

To a somewhat greater degree than the aged generally, they live in rural areas or small towns.

A considerable number of them, or approximately three-quarters of a million—receive modest social security benefits usually at or near the minimum. Many have high medical expenses which increase their needs. About 30 percent of these individuals are in nursing homes, institutions, confined to their own homes, or need the help of another person in getting about. Nearly 1 in 10 is in a nursing home or institution.

## MEDICAL ASSISTANCE TO THE NEEDY

There are a number of specific improvements that can and should be made in the provisions of the Social Security Act concerned with old-age assistance, all of which have been recommended by the President.

Two and one-half years ago, the Congress enacted a new program of medical assistance for the aged, generally referred to as the Kerr-Mills Act. This program is now in operation in just over half of the States. In a few States, six—Tennessee, California, Connecticut, Idaho, Michigan, and South Carolina—medical assistance under the new program is more generous in amount, scope or duration than the assistance that is available for medical care of the very neediest old-age assistance recipients. It seems poor policy for us to provide less in the way of medical care to persons on old-age assistance, who require help with their day-to-day living expenses than we provide to the recipients of medical assistance for the aged, who have enough resources to meet their regular expenses other than their medical bills.

To cure this defect, section 2 of the proposed legislation would require that by July 1, 1965, States have provisions for at least the same scope of medical assistance to the persons eligible to receive old-age assistance as they provide to the persons who receive only medical assistance for the aged. The effective date—2 years hence—would give the States that may be in this situation time to work out any existing differences.

## AID FOR THE TUBERCULAR AND MENTALLY ILL

Another provision of the bill is directed toward aged persons who are mentally ill or who have tuberculosis. In 1960, recognizing the trend toward more care of mentally ill persons in general hospitals where needed treatment could sometimes be effected in a relatively short time in the individual's home community, the Congress provided that in both old-age assistance and in the new program of medical assistance for the aged, the Federal Government would participate for up to 42 days in public assistance payments for medical care of recipients who are mentally ill or tuberculous in general hospitals.

Two problems have arisen in relation to this 1960 provision. One is that the 42-day period is a short one in relation to certain individuals.

The second is that the administrative burden of keeping track of individuals to determine exactly when the 42d day ends and the 43d day begins is unduly time consuming and has acted as a deterrent to States taking advantage of this provision. The Congress can at very small cost eliminate the 42-day time limitation on such care in general hospitals. This would be done by section 3 of the proposed legislation. Since no State is required to take any legislative action under this provision, it would become effective July 1, 1963, as an additional resource to State public welfare programs. The provision would be applicable to medical assistance for the aged as well as old-age assistance. This section would amend the old-age assistance provisions by deleting, as of July 1, 1963, the existing limitation which precludes Federal participation in cash payments to individuals who are tuberculous or mentally ill in general hospitals.



## BETTER HOUSING FOR THE AGED

The studies and hearings of our Special Committee on Aging have shown that many aged persons are especially subject to various types of exploitation. One aspect of this problem is that many old-age assistance recipients live in housing that does not meet even the barest minimum of health and safety.

Studies have shown that the needy aged frequently must pay exorbitant rentals for grossly substandard quarters. Census data indicate that among households headed by a person age 65 or older who live in rental housing nearly 40 percent are in quarters that are classified as substandard.

The rental costs represent a major segment of our payments of old-age assistance despite the fact that, a large proportion of our aged own their own homes, including many of the needy aged who receive old-age assistance.

It is estimated that one-half billion dollars a year—about one-fourth—of the \$2 billion total expenditure for old-age assistance—goes to pay rent.

Clearly the time has come when States and localities must come to grips with this basic problem. The bill does not propose to tell States how to set standards or who in the State government should administer those standards.

The bill would simply require that by July 1, 1966, the States establish or designate some agency to establish and maintain standards of health and safety for the quarters which recipients of old-age assistance rent. This would give the States very broad latitude in providing realistic protection for aged renters and sufficient time in which to get their provisions into operation.

## LIBERALIZING RESIDENCE REQUIREMENTS

It is estimated that one person in five in the United States moves each year. Substantial numbers move across State lines. Aged persons almost certainly do not move as often as younger workers. However, many aged persons may need to change their State residence in order to be near relatives who can offer care and companionship.

At present a State may impose a residence requirement for old-age assistance as long as 5 years out of the preceding 9. Today there are 20 States that impose this maximum requirement permitted under the Federal law. They are: Alaska, Arizona, California, Colorado, District of Columbia, Florida, Indiana, Iowa, Kansas, Louisiana, Michigan, Missouri, Montana, Nebraska, Nevada, New Hampshire, Oklahoma, Oregon, Texas, and Washington. The Governor's conference several years ago recommended that this be reduced to 1 year. The proposed legislation would reduce the present 5-year limitation to 3 years, beginning in 1968, and to 1 year immediately preceding application, beginning in 1970. This time span would permit States to make any necessary adjustments. With the continued decline in the old-age assistance caseload the cost of this humanitarian step would be minimal.

## PROTECTIVE PAYMENTS FOR THE AGED

As I indicated earlier, there are among our aged on old-age assistance substantial numbers of persons who are very old and feeble. These persons, while not mentally ill, are often forgetful. Some tend to lose things, some are subject to exploitation by unscrupulous persons. Some of these individuals live with children or relatives. Others live in nursing homes or institutions. By and large they do not need formal legal guardianship. However, they do frequently need help in managing money.

Under existing law we can make money payments to a recipient or his legal guardian. We can make payments directly to doctors, hospitals, or other suppliers of medical care, but we cannot make payments to a third person to help a feeble senior citizen.

Section 6 of the bill would make provision, with appropriate safeguards, for protective payments made to a third person in behalf of an old-age assistance recipient.

Last year the Congress enacted a provision for protective payments in aid to families with dependent children. While the need among the aged arises for somewhat different reasons, I am convinced that this provision will serve a highly useful and humane purpose.

Throughout the bill corresponding changes have been made in the new title XVI of the Social Security Act which the Congress enacted last year permitting those States that choose to, to have a combined program for the aged, blind, and disabled so that aged persons under the combined program would receive the advantages of the provisions of the bill.

Mr. President, I consider that this bill would make possible a number of modest, positive noncontroversial steps which would improve the situation of some of our neediest senior citizens. I believe that it is worthy of prompt consideration and early enactment by the Congress.

The cost of the amendments which I have proposed here is negligible.

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[S. 1358, 88th Cong., 1st sess.]

Mr. SMATHERS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL To improve the public assistance provisions of titles I and XVI of the Social Security Act, relating to aged individuals, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Senior Citizens Public Welfare Amendments of 1963".*

**MEDICAL CARE UNDER OLD-AGE ASSISTANCE AND MEDICAL ASSISTANCE FOR THE AGED**

SEC. 2. (a) Section 2(a)(11) of the Social Security Act is amended by striking out "and" at the end of clause (D), by striking out the period at the end of clause (E) and inserting in lieu thereof "; and", and by adding after clause (E) the following new clause:

"(F) (i) provide that the services and care for which payment may be made as medical assistance for the aged under the plan shall not be greater in amount, duration, or scope than the old-age assistance

furnished under the plan (I) in the form of medical or any other type of remedial care, or (II) in the form of money payments to the extent that amounts are included in such payments because of the medical needs of the recipients; or

"(ii) provide that any individual who meets the standards of eligibility for old-age assistance under the plan (I) shall be furnished medical or any other type of remedial care (or shall receive money payments on account of his medical needs) at least equal in amount, duration, and scope to the care and services for which payment would be made as medical assistance for the aged under the plan, and (II) shall have his other needs met under or in accordance with the provisions of the plan."

(b) Section 1602(a)(15) of such Act is amended by striking out "and" at the end of clause (C), by striking out the period at the end of clause (D) and inserting in lieu thereof "; and", and by inserting after clause (D) the following new clause:

"(E) (i) provide that the services and care for which payment may be made as medical assistance for the aged under the plan shall not be greater in amount, duration, or scope than the aid to the aged, blind, or disabled furnished under the plan (I) in the form of medical or any other type of remedial care, or (II) in the form of money payments to the extent that amounts are included in such payments because of the medical needs of the recipients; or

"(ii) provide that any individual who is sixty-five years of age or older and who meets the standards of eligibility for aid to the aged, blind, or disabled under the plan (I) shall be furnished medical or any other type of remedial care (or shall receive money payments on account of his medical needs) at least equal in amount, duration, and scope to the care and services for which payment would be made as medical assistance for the aged under the plan, and (II) shall have his other needs met under or in accordance with the provisions of the plan."

(c) The amendments made by subsections (a) and (b) shall become effective July 1, 1965.

#### CARE IN GENERAL MEDICAL INSTITUTIONS

SEC. 3. (a) Section 6(a) of the Social Security Act is amended by striking out "but does not include" and all that follows and inserting in lieu thereof: "but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases."

(b) Section 6(b) of such Act is amended by striking out so much as follows clause (11) and inserting in lieu thereof the following:

"(12) any other medical care or remedial care recognized under State law; except that such term does not include any such payments with respect to care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases."

(c) Section 1605(a) of such Act is amended by striking out "but does not include" and all that follows and inserting in lieu thereof: "but does not include any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases."

(d) Section 1605(b) of such Act is amended by striking out so much as follows clause (11) and inserting in lieu thereof the following:

"(12) any other medical care or remedial care recognized under State law; except that such term does not include any such payments with respect to care or services for any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases."

(e) The amendments made by this section shall apply in the case of expenditures under a State plan approved under title I or XVI of the Social Security Act, as the case may be, made after June 30, 1963.

## STANDARDS FOR RENTAL HOUSING

SEC. 4. (a) Section 2(a) (10) of the Social Security Act is amended by striking out "and" at the end of clause (B) and by inserting after clause (C) the following new clause:

"(D) provide for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards of health and safety for the quarters or other premises in which recipients of such assistance reside and which are secured on a rental basis; and".

(b) Section 1602(a) of such Act is amended by striking out "and" at the end of paragraph (14), by redesignating paragraph (15) as paragraph (16), and by inserting after paragraph (14) the following new paragraph:

"(15) provide for the establishment or designation of a State authority or authorities which shall be responsible for establishing and maintaining standards of health and safety for the quarters or other premises in which recipients of aid to the aged, blind, or disabled who have attained the age of sixty-five reside and which are secured on a rental basis; and".

(c) The amendments made by this section shall become effective July 1, 1966.

## RESIDENCE REQUIREMENTS

SEC. 5. (a) (1) Effective January 1, 1968, paragraph (2) (A) of section 2(b) of the Social Security Act is amended by striking out "five" and inserting in lieu thereof "three".

(2) Effective January 1, 1970, such paragraph (2) (A) is amended to read as follows: "(A) in the case of applicants for old-age assistance, excludes any resident of the State who has resided therein for one year immediately preceding the application for such assistance, and".

(b) (1) Effective January 1, 1968, paragraph (2) (A) of section 1602(b) of such Act is amended by striking out "five" and inserting in lieu thereof "three".

(2) Effective January 1, 1970, such paragraph (2) (A) is amended to read as follows: "(A) in the case of applicants for aid to the aged, blind, or disabled, excludes any resident of the State who has resided therein for one year immediately preceding the application for such aid, and".

## PROTECTIVE PAYMENTS

SEC. 6. (a) Section 6(a) of the Social Security Act is amended by adding at the end thereof the following new sentence: "Such term also includes payments which are not included within the meaning of such term under the preceding sentence, but which would be so included except that they are made on behalf of such a needy individual to another individual who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such needy individual, but only with respect to a State whose State plan approved under section 2 includes provision for—

"(A) determination by the State agency that such needy individual has, by reason of his physical or mental condition, such inability to manage funds that making payments to him would be contrary to his welfare and, therefore, it is necessary to provide such assistance through payments described in this sentence;

"(B) periodic review by such State agency of the determination under clause (A) to ascertain whether conditions justifying such determination still exist, with provision for termination of such payments if they do not and for seeking judicial appointment of a guardian or other legal representative, as described in section 1111, if and when it appears that such action will best serve the interests of such needy individual; and

"(C) opportunity for a fair hearing before the State agency on the determination referred to in clause (A) for any individual with respect to whom it is made."

(b) Section 1605(a) of such Act is amended by adding at the end thereof the following new sentence: "Such term also includes payments which are not included within the meaning of such term under the preceding sentence, but which would be so included except that they are made on behalf of such a needy individual to another individual who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such needy individual, but only with respect to a State whose State plan approved under section 1602 includes provision for—

“(A) determination by the State agency that such needy individual has, by reason of his physical or mental condition, such inability to manage funds that making payments to him would be contrary to his welfare and, therefore, it is necessary to provide such aid through payments described in this sentence;

“(B) periodic review by such State agency of the determination under clause (A) to ascertain whether conditions justifying such determination still exist, with provision for termination of such payments if they do not and for seeking judicial appointment of a guardian or other legal representative, as described in section 1111, if and when it appears that such action will best serve the interests of such needy individual; and

“(C) opportunity for a fair hearing before the State agency on the determination referred to in clause (A) for any individual with respect to whom it is made.”

(c) The amendments made by this section shall apply in the case of expenditures under a State plan approved under title I or XVI of the Social Security Act, as the case may be, made after June 30, 1963.

