

INTRODUCTORY STATEMENT BY SENATOR HUBERT H. HUMPHREY

ON NBC-TV SHOW, "THE NATION'S FUTURE"

January 14, 1961, 9:30 p.m.

Why should we provide medical care for elderly Americans through our Social Security system?

Because this is the best way, the most reasonable and efficient way to make sure that America's senior citizens can live in dignity, with independence and self-respect.

The Social Security system provides benefits as a matter of earned right -- not as charity. You don't have to take a pauper's oath or a means test to get your Social Security pension.

Earned
Right

You get your Social Security pension as an earned right. Your pension is earned by contributions during your working years.

And I say that we must apply this same principle to medical care.

Elderly people don't want charity medical care. They don't want a means test for themselves or their children when they go to the hospital.

They want simple justice -- medical benefits earned in the same way that they earn their retirement pensions.

Our older citizens don't want a charity handout. They want to get medical care when they need it -- but they also want the dignity, the self-respect, and the independence which are the fundamental rights of every American.

We must put an end to the terrible fears and anxieties of these fine American citizens who have worked hard all their lives only to find that the savings of a lifetime are wiped out -- almost overnight -- by unexpected illness and unforeseen hospitalization.

✓ I don't think any American -- young or old -- should be forced
to ask for charity medical care.

✓ I don't think any American should be required to take a pauper's
oath or take a means test before getting medical care.

✓ I don't think any American should have to go on public assistance
-- on public relief rolls -- in order to get adequate health care.

I believe we can -- and must -- use the sound principles of social insurance to finance health care for elderly people.

These are the same principles behind our Social Security pension system which already provides monthly pensions for nine million elderly men and women in this country -- pensions which are earned rights -- not charity.

We already spread the costs of Social Security pensions over a person's entire working lifetime. We have had 25 years of experience with this system and it has worked well.

That is why I am convinced we must use this system to meet the inevitably heavy costs of medical care during the retirement years.

This is the only effective way to finance the health care needs of our older people. This would cost only one-half of one percent of payroll -- shared equally by workers and their employers. Let people pay a small Social Security tax during the working years so they will be protected against catastrophic medical costs during their retirement years.

Cost

For most people in retirement have very little income -- barely enough for the simple necessities like food, shelter, and clothing.

They want to maintain their independence. And they often stretch their small pensions too far just so they won't have to ask their children for help -- just so they won't have to go on public relief or ask for charity.

But I say that men and women who have given a lifetime of productive work should not be forced to beg for charity -- whether from their children or their doctor or from their local welfare agency.

Our senior citizens don't want charity -- but that is what they got last August. The law passed by Congress last year simply expands the role of public assistance. It provides a federal subsidy for state relief programs where benefits are restricted to the indigent.

I say that is a means test. It is degrading and shameful to require a means test or a pauper's oath. Furthermore, it is a program that is so cumbersome and unworkable that Governor Rockefeller of New York and many other state governors want no part of it.

Now many people say that private insurance can meet the needs of elderly people for protection against major medical costs.

I wish this were true -- but very few elderly people can afford the high premiums charged by private insurance companies to cover the high risk of insuring these people against heavy health costs.

And even if private health insurance is available at a low cost, the benefits are so limited that they are not much help when serious illness strikes.

No, the fact of the matter is that most retired people simply cannot afford adequate health insurance, even if the insurance company is willing to sell them a policy.

I think there is no question that every American is entitled to good health care. Obviously good health care for retired people is expensive. It costs more than they can pay out of their pitifully small incomes.

We have to spread the cost over a person's entire working lifetime.

This is how the Social Security retirement pension is
financed -- and this is how we must finance medical benefits for
America's senior citizens -- not as charity, but as an earned right.

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THE NATION'S FUTURE

Saturday, January 14, 1961

NBC TELEVISION

MODERATOR: John McCaffery

GUESTS: Sen. Hubert Humphrey (D.-Minn.)
Dr. Edward R. Annis (AMA)

McCAFFERY: The issue we are debating tonight touches all of us. It involves the 16 million people who are more than 65 years of age. It involves the medical profession; it involves social welfare agencies, it involves business, labor, it involves insurance companies. This very week in Washington 2700 delegates attended the Conference on the Aged and the question they wrestled with there in Washington, the controversial heart of our debate tonight, is very simply - how far should the federal government go in paying the medical expenses of the elderly? The Kennedy Administration has put this question, has given it top priority in its legislative program and we are fortunate tonight in having with us the top-ranking member of that Administration, the Majority Whip in the Senate, the senior Senator from Minnesota, Senator from Minnesota since 1948, the Hon. Hubert H. Humphrey. Sen. Humphrey, will you give us your position on this question?

HUMPHREY: Yes, indeed, I am more than happy to do so, and feel it a rare privilege. First of all I want to say hello to my good friend, the very fine representative of the American Medical Association, Dr. Annis. We have mutual friends in the Senate. And I also want Dr. Annis to know that I am one of those Americans and a member of the Congress that has a high regard and great respect for the American Medical Association and the contributions of modern American medicine to the health and welfare of the American people. I do not believe we could possibly overemphasize the great contributions of our doctors, our medical technicians, our hospital administrators, our nurses, those who make up what we call the health care community. So I approach this subject as a friend. I might add, doctor, I am even a pharmacist. So that I know a little bit about at least one part of the medical profession, the dispensing of drugs, if not the prescribing of them. But with that let me say why I believe that the Social Security method of prepaid health care insurance for our elderly or our senior citizens is the better way. I do not say it is the only way. I just think that it is the better way. We need to ask ourselves do we need a program of health care for our senior citizens. I think everybody agrees that we do. The Medical Association

HUMPHREY:
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surely does. It wants care for our older people. It indeed gives a great deal of care to the older people, and I mean gives it. We know that three-fifths of all of our citizens 65 years of age and older have an income of less than one thousand dollars per year. And four-fifths of our senior citizens have incomes of under two thousand dollars a year. We also know that persons 65 years of age and over have about twice as many days in the hospital per year, even with this inadequate income, as the rest of the general community. Their medical and hospital bills are about 90% more, almost double that of the average person in the American community. Now there are all kinds of facts that we can cite. But I think what we are really talking about here is how is it best to pay for it. We want medical care. Can the private insurance program meet this need? The fact is it does not. If it can it has not. Now the private insurance programs have met the needs for vast numbers of Americans, and the voluntary insurance program for those who are gainfully employed in what you might call the prime of their life, yes, very good. In fact, if you can remove from the area of coverage those who are 65 and older may I say that the cost of your premium for the rest of you will be sharply reduced because the incidence of disease, of hospitalization, rises in great proportion

HUMPHREY:
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over 65. So if that group could be eliminated from the coverage under private medical care you would get better medical care, better health care, better hospital care under private insurance at lower rates.

There is another argument for it. Also, when we do care for our older people today we care for them either through charity or public assistance, relief, or as the doctors say, they give them a lot of free care. Now the Massachusetts General Hospital pointed out that about one-third of their total deficit in one year was due to the unpaid bills of the patients who were 65 years of age and over. And one-third of all of their patients in their ward intake were those 65 years of age and older. I might add that if hospitals are going to pay out and a larger number of people do not pay in then those who do pay in pay too much, pay more.

Now, having said that, let us see whether or not Social Security makes good sense. I think it does, and I will tell you why. First of all, private commercial and non-profit organizations I repeat are unable to give adequate health protection to the aged, to our elderly, at rates that our elderly citizens can afford to pay. Nine out of ten citizens are pre-covered under Social Security. The machinery is set up. It has worked well for 25 years. Some of you remember when Social Security came in they

HUMPHREY:
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said it was communism, socialism, it would destroy the private insurance companies. It did not do that at all. As a matter of fact, private insurance today is bigger than it has ever been, people are more insurance-conscious. Social Security has been a great help to the American economic community. Besides that, it is decent and honorable. There is low administrative cost under Social Security. About 2% as compared to five or more per cent in some of the private companies. No Social Security payments would be required. That is --

McCAFFERY: I am sorry, Senator, I am afraid you have gone over your time.

HUMPHREY: Oh, I am sorry. I am very sorry.

McCAFFERY: I am sorry too. Thank you very much. Our second speaker, Dr. Edward R. Annis, represents the official point of view of the American Medical Association. Dr. Annis is a practicing member of the profession. He is a noted surgeon from Miami, Florida. He is chairman of the Legislative Committee of the Florida State Medical Association and chairman of the Citizens Medical Committee on Health. Now while Dr. Annis gives considerable time to the medical care of the aged, he also gives considerable time to the care of much younger people since he is the father of eight children ranging from one and a half

McCAFFERY:
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to seventeen. So, Dr. Annis, in between taking care of the kids, would you give us your opinion here on medical care for the aged?

ANNIS:

Thank you, Mr. McCaffery. I too enjoy the opportunity to meet with Sen. Humphrey. As he stated, we have many mutual friends in the Senate and those who work around Capitol Hill, and all of whom warned me ahead of time that I was taking on a real "pro," that the United States Senate is noted for its debaters and that the man with whom I was going to debate tonight is one of the best in the U.S. Senate. I do appreciate the opportunity to be here. I am not here as an official of the American Medical Association in that I have never been nor do I now hold an official position in the American Medical Association. I am just a doctor who has been practicing medicine for the past 22 years. As a doctor, however, I have been very considerably concerned when I see a very definite long-range, well-financed program to malign the doctors of America and their American Medical Association. You know, most people look upon their own doctor as a pretty good fellow, but the American Medical Association is made up of a bunch of hardhearted individuals oblivious to the needs of everybody and especially our elderly citizens. Well, tonight I am here to represent the family doctor. I am here

ANNIS:
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speaking about the vast majority of the doctors of this country who deliver your babies, who take care of your children when they need their tonsils out, and maybe when they had appendicitis or were called when you had a heart attack, who take care of some of the members of the family in their family needs. The doctors you look to and know are the doctors who are your friends. I represent them and am also here to represent our patients the American people, and especially the workers because these constitute the majority of our patients. The greatness of America rests upon the free enterprise system where the workers in this country can buy the very things that they produce in their labors and for that reason here in America we have people who have more bath tubs, more radios, more television, more homes, more washing machines, more automobiles, more everything than is found anywhere else in the world. And they also can purchase here in the United States of America the highest quality of medical care ever available to anybody anyplace in the world. The growth of insurance, private insurance funds, savings accounts, investments is a test of the recognition on the part of the American people that the prime responsibility for their financial security rests with the people and now with the government. The Social Security system basically recognized the fact that the needs

ANNIS:
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of our older people at a time of reduced income is considerably reduced and for that reason we made more dollars available to them to buy the things that they want and should have. But it is a radical departure from the principle of Social Security for the government to provide medical care at taxpayers' expense for all who reach the age of 65 years of age whether they need help or not. In considering the necessities of life I am sure that we agree that food, clothing, and housing and medical care are essential. I point out to you from the Department of Commerce that the amount of money that we spend of a dollar approximates six cents, the same amount we spend on recreation. I point out, though, that food, clothing and housing takes considerably more. Now if we had four or five million people of our 16 million who were over 65 years of age who do not have enough food to eat and their family and friends, and churches and local communities do not make it available and cannot make it available to them I say certainly the taxpayers would be very happy to buy them their food; but I ask you how many of you would support a tax on the workers and employers of America to pick up the grocery bill for all sixteen million in order to help four or five million who might be in need. Because our basic approach is one to help those who are in need. We yield to no group nor any

ANNIS:
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individuals in our concern for the welfare of our elderly citizens. Many plans have been made to pay doctors. The Forand Bill, for example, was going to pay surgeons.

Have you ever asked yourselves the question why should doctors oppose plans that are going to pay them for some of the things and some of the work that they have been doing for nothing? We want to help those that need help. And that is the reason that we have supported the Kerr-Mills program.

I have an illustration here which points out the difference between healthy people under the basis of the Kerr-Mills Bill which resulted from long deliberation in the Congress. Under the Kerr-Mills bill all of those who are in need of help would be paid from the General Insurance Fund, so that a man or woman who made \$100,000 contributes into the general tax base \$53,000. A man or woman who made \$4800 would contribute \$976.00, and those whose income came from rent, interest, stocks, bonds, and other sources would contribute in accordance with their income, and those who are in need would be cared for and those best able to pay would contribute. But let us look on the other side under the Social Security addition. We talk about a quarter to three-eighths of one per cent, depending upon whether it

ANNIS:
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is a worker or individual -- twelve to eighteen dollars a year. The person who makes \$100,000 pays the same as the person who makes \$4800, but they both have the same benefits. But I would point out those whose income comes from rent, interest, stocks and bonds, and other sources would contribute nothing. So I ask you that under this program we are going to take care of everybody when they reach 65 whether they need help or not. And the greatest burden falls upon the small taxpayer. The Kerr-Mills Bill, the program we support, is one that takes care of people who are in need, because we too feel that everyone in this country should have the finest of medical care.

McCAFFERY: Thank you very much, Dr. Annis.

Now, gentlemen, you have a period of free discussion, to interrogate each other, for cross examination. The floor is yours. Sen. Humphrey, will you begin?

HUMPHREY: Yes. First I would like to say a word about the Kerr-Mills Bill. I was in the Senate when we passed that. I reluctantly voted for it as all that was left to vote for. I say most respectfully to my friend, Dr. Annis, no one knows what the cost of that program is.

In the state of Kentucky, for instance, the Wall Street Journal had an article here the other day

HUMPHREY:
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pointing out that they limited the program very sharply. The New York Times, in its editorial, refers to the Kerr-Mills program, the title is "Inadequate, Demeaning and Administrative Monstrosity." No one knows how it will be administered. Only five states have seen fit to even incorporate any of its provisions. It is a grant and aid program.

The federal government and you as a taxpayer, you have no way of knowing whether it is going to cost you five billion dollars a year or \$500 million a year, and what is more it is based entirely on the principle of what they call charity. In other words, if you want to get medical care at age 65 you will first have to pass a means test in your state.

There will be a flock of social workers going out through the countryside investigating as to whether or not you have the money yourself to pay for your own medical care. Every state will have its own standards; there will be no uniformity of standards, and what is more, when a state government gets in trouble with revenue -- and most of them are -- there is no assurance there will be any money to pay for anything.

McCAFFERY: I think Dr. Annis would like to answer.

ANNIS: I would like to answer several of them. One is Sen. Humphrey said no one knows what the cost of the Kerr-Mills Bill will be. Neither does anyone know what the cost of the bill will be like when everybody reaches the age of 65.

HUMPHREY: Yes we do, doctor.

ANNIS: You are predicting, sir -- I would like to speak on this essence of charity.

Charity -- saying it is beneath somebody or demeaning for them to qualify for aid under the Kerr-Mills Bill. May I remind you, sir, that no one receives Social Security until they first make a statement to the effect that their income is below \$1200 a year. No one in this country receives aid or assistance in a Veterans Administration Hospital for non-service connected disability unless they sign a statement to the effect that they are unable to pay for their aid. Certainly the federal government is not going to dispense their money without knowing it is justly being dispensed, so that under any program that is going to be spread out; where the federal government lays down the rules and regulations they are going to demand that the people who spend this money have reason for spending it, and this is a means test.

Before anyone can get public housing they have to show that their income is below a certain level,

ANNIS:
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that their assets are below a certain level, and this too is a means test.

If we ask the veterans to ask for a means test, if we ask the person who is going to receive Social Security how much their independent income is -- they can get \$100,000.00 from stocks and bonds but they may not earn over \$1200 a year and still receive Social Security. These are different types of means tests which the United States Government demands of anybody before they can expend the taxpayers' dollars.

HUMPHREY:

May I answer that? Let me answer it this way. We are talking about a Social Security program that is prepaid insurance. We are not talking about somebody dipping into the general revenues.

Bear with me. We are talking about a tried and tested system of 25 years experience. We are talking about a program that will be paid for by those who received its benefits. We are talking about a quarter of one per cent increase in the payroll tax on employer and employee. We are talking about a program in which the money that is collected for this purpose does not go into the care of roads or into the purchase of public lands but goes into a special fund for the purpose of medical care. We are talking about a program -- I am talking about a program that cannot be cancelled out at age 65. I am talking about a program that you pay for

HUMPHREY: when you work and when you are not at work there are
(Cont'd) no payments for it.

Now don't misunderstand me. Charity is surely to be commended, but I do not like the kind of charity program that is kind of Robin Hood economics, doctor, where somebody may decide that you are entitled to charity but I am not. I happen to believe in insurance.

ANNIS: May I ask you a question?

HUMPHREY: Yes, sir.

ANNIS: You made the statement those who receive the benefits are the ones who pay into the system.

HUMPHREY: Yes, sir.

ANNIS: Under this program at the present time eleven million people are receiving Social Security. They will never pay into this system because this is an additional tax.

HUMPHREY: Yes, sir.

ANNIS: Who is going to pick up the tax to pay for the eleven million people, 7.7 million of whom now have insurance they can drop tomorrow and let the taxpayers of the country pick up their tax bill. I ask you who is going to pay for the eleven million?

ANNIS:
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We are both having a lot of support from the audience. I ask the Senator the question who is going to pay for the eleven million people who will average when they reach 65 because of modern medical care they will still average living fifteen more years, and we start out with eleven million people who are now receiving Social Security. Are you going to deny them medical benefits?

HUMPHREY:

Not at all, and I will give you the answer, doctor, and you know the answer. I may take out an insurance policy tomorrow morning, health insurance in a private company, and become critically ill. Who pays that bill? The people that have already paid into the fund. Insurance, doctor, is predicated on what we call actuarial principles. Coverage. And we have in the bills provided in the Congress a lag period to accumulate funds before it goes into effect, and we are going to include all persons under Social Security, that is correct. And those who are at work today will start their payment at one quarter of one per cent in prepaid savings, prepaid insurance, accumulated savings to take care of their needs at age 65. It is exactly what happened under Social Security.

McCAFFERY:

Before you speak, Dr. Annis, ladies and gentlemen, we appreciate your enthusiasm and we are glad that

McCAFFERY:
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you are so vitally interested in everything that is being said up here, but there are a lot of people out in their television rooms and they are probably clapping their hands too, but let us hear what the Senator and Doctor have to say, shall we?

ANNIS:

I want to ask Sen. Humphrey, he states these were set up on actuarial principles. You tell me who will sell insurance tomorrow, for example, automobile insurance, for accidents and you have already had your accident today and we will immediately sell you a policy tomorrow to take care of the accidents that previously occurred.

These are eleven million people who never paid into the system but will immediately begin to have their medical care cared for as long as they live. No insurance company is going to insure those already for insurance liable before the policy is set out. There is no actuarial basis for this type of thing.

We are asking the taxpayers to immediately underwrite the expenses of eleven million people and the worst part of it is that seven and a half million already carry insurance that they can drop tomorrow because the taxpayer will pick up the tab. We are asking the people who pay the tax to take care of eleven million people starting tomorrow and their medical bills as long as they live.

HUMPHREY: Doctor, we have broadened Social Security since 1935 by the inclusion of large groups, one after another, until today nine out of ten people in America are covered by Social Security. It has not bankrupt the fund. It has not been an imposition on the American people, and may I add, that it has in fact benefitted the American economy and the American community. Surely the eleven million people -- you are wrong, as a matter of fact, there are 14 million under Social Security. The 14 million people that are under Social Security, eleven million under Old Age and Survivors Insurance, would be eligible, that is true. They would be eligible and that is why the quarter of one per cent payroll tax upon employer and employee has been established, so that this fund, my fellow Americans, is solvent.

Or do you want to rely upon the whims of each administration? One year you think you have medical care because you have a liberal government. The next year you have no medical care because you have a so-called conservative government. One year you have a state administration that cannot meet its bills, and therefore has to cut out a program; and the next year you have a state administration that finds a new kind of tax, a sales tax or something, to pay the medical bill.

HUMPHREY:
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We are talking about insurance. I am not talking about the kind of a program where the rich merely benefit the poor. I am talking about Americans who are self-sustaining, self-respecting, dignified people who want to pay their bills.

ANNIS:

I am very happy that the Senator is concerned with the fiscal ability of the United States Government. I would like again to call attention to this program and give you an illustration. In this last year of 1960 we had one of the highest incomes in this country. At that time the income tax went into the General Fund, and anyone who is in need of help under the Kerr-Mills Bill would be assured that money was there.

We also, as of the morning newspapers, said that for the first time in 20 years we have the highest unemployment in a December in 20 years in this country, and I will point out to you that during times of unemployment less money is going into this program.

We have four and a half million people today who are not paying into the Social Security system. Employers are not paying in for that four and a half million, and every month because of the advance in medical care 30,000 new people over 65 in excess of deaths, a third of a million a year, a million every three

ANNIS:
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years, are being added to the Social Security system because they live on past 65 years of age -- and we are proud of it. But I say to you that during hard times less money is being paid into the system and every month 30,000 more people are being added to the system and to the benefits. And in this instance we would be picking up the tab every month for 30,000 more people's medical care.

HUMPHREY:

Now, doctor, may I just say most respectfully that this year the federal government will again have a deficit of over a billion dollars. It may have much more in light of the very facts that you have pointed out, the rise in the incidence of unemployment.

Can you imagine how this country would be today without unemployment compensation? It would be in a sad fix.

May I point out that I want a medical program for our senior citizens that is going to be a program and not a promise. I want to know that the money is in the bank. I do not want to depend upon some powerful force in Congress who can give a speech on compassion and charity and finally get the Congress to increase the deficit in order to care for medical programs.

I am talking about a program just like I would pay my own insurance. I belong to a private health

HUMPHREY:
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insurance group. I like it. And I want to pay in every month. And I do. I do not want to have it on the basis that, well, maybe they are going to pay me and maybe they are not in case I am sick.

I want a program where there is a reliability of income and a reliability of payment, and I do not want any old citizen, any person of our older folks to have to go before a board of public welfare and say, "Look, examine my children, examine my relatives, examine my assets, and if you can find that I have no money will you please give me medical care?" I want the senior citizens to have it.

ANNIS:

Senator Humphrey keeps referring to this as insurance and yet I ask the Senator isn't it true that the Supreme Court of the United States refused to validate the Social Security System as insurance, which it is not, but rather validated it as a welfare program, which it is, supported by taxation.

The only reason that people will continue to collect their Social Security income every month is because there are currently young taxpayers in the tax-paying public that are putting out the money.

At the present time in the entire reserves of the Social Security System in the 25 years of its existence we have accumulated \$70 billion; we have

ANNIS:
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expended \$50 billion. For three years in a row it has gone in the red. Last year it went into the red one billion, 200 million dollars. That is \$12 thousand million more was paid out than it took in, including the interest on its investment, and if we stopped paying Social Security tomorrow to anybody new and only paid those who are presently receiving it as long as they live we would have to have an excess of \$200 billion. And we only have twenty billion.

This is not insurance. Insurance is based upon the actuarial accumulation of funds which are set aside as reserves for later claims upon them. This is not insurance. Social Security, and this addition to it, is a tax and it will only be paid in the future if there are enough workers paying the tax at that time.

HUMPHREY: Doctor, your doctoring of eventualities does not add up to what one might call fact. The truth is Social Security is predicated on the base that this country will continue to have jobs, will continue to have workers.

ANNIS: But that is not insurance.

HUMPHREY: And will continue to have means of income. It is insurance in the sense that there is a payroll deduction put into a fund for Old Age and Survivors Insurance. That is the word in the law.

ANNIS: That is not correct, Senator.

HUMPHREY: And the insurance, may I add, is paid out on a monthly basis, pro-rated according to your earnings under Social Security.

This is insurance. What is more, let me add this, that when we go back to the type of medical care that the doctor proposes, which is by the way not something that was enthusiastically embraced by any particular organization, the Kerr-Mills Bill simply says that the government of the United States and you the taxpayers, and you are taxpayers, that you will pay anywhere from 20 to 80 per cent of the total medical bill in any state for those age 65 and older that the state declares are needy medically, that have medical needs.

Now there is no way that anyone can know whether it will be an 80% gift from the federal government to Minnesota, or to Kentucky, or Florida, or a 50%. It will depend entirely upon what the state itself prescribes as its standards.

ANNIS: The only difference is, Senator, that I do not believe anybody in these United States of America objects to a tax to take care of people who are in need, and that is the people who would be taken care of by the Kerr-Mills Bill.

ANNIS:
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But by the proposal that you offer we are offering a proposal that if the calendar says a person is 65 years of age whether they have a million dollars or ten million, they will still be taken care of with the taxpayers picking up the tab.

McCAFFERY: Thank you very much, Sen. Humphrey and Dr. Edward R. Annis, for this very stimulating discussion, which was perhaps somewhat overstimulating to some of the people in our audience. And we will be back with questions from our audience here in New York and our audience in Tampa after just a pause for station identification.

McCAFFERY: And now, before we turn to the question period on The Nation's Future, we are debating the question of medical care for the elderly, and we have with us Senator Hubert Humphrey, Senior Senator from Minnesota, and Dr. Edward R. Annis is representing the point of view of the American Medical Association.

I would like to call for questions from the audience. Will you raise your hand for any recognition, and when I recognize you, will you tell me your name, your professional affiliation, if you would like to give it, and then give me your question, short and to the point, please.

All right, we have a question here.

BENJAMIN WEISS: I have a question for Dr. Annis. My question is: According to the official reports of the Health and Welfare Department, there are 19 states which are not planning any action whatsoever to implement the Federal matching program enacted in the 1960 legislation. As a result, it has been estimated that some 500,000 to one million of aged persons on relief, or who take a pauper's oath, would receive aid under it the first year in the highly unlikely event all states should act.

McCAFFERY: That's a pretty long question.

MR. WEISS: I'm through. How then can it be assumed that the 1960 legislation is an adequate solution to the problem of medical costs for the aged?

DR. ANNIS: Well, the gentleman's figures are in error. To begin with, because he mentioned one and a half million would be the most that would be covered at the end of the year, and we have two and a half million people in this country that are covered by old age assistance in all the states. Because of the Federal-state matching fund basis, these people are taken care of, including their medical care, under the provisions of the Kerr-Mills bill. There is also \$12 a month per person or \$144 per year additional medical benefits for those two and a half million.

DR. ANNIS:
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It is true a number of states have not yet taken action; my own state is one of them. One reason for that, however, in Florida, we already have a program that can take care of people that can qualify. We are going to expand the program for out-patient facilities. The reason we have not yet done it in Florida is that our Legislature doesn't meet for another month. This is true for most of our states, not even in New York, when it was stated a month ago that Governor Rockefeller would not do it. I read it in the New York Times he's asked for \$40 million to implement the Kerr-Mills program in the State of New York to take care of those people who are in need. I am sure, sir, that other states will follow his example.

HUMPHREY: May I respond to that?

McCAFFERY: Yes.

HUMPHREY: I found this article in the Wall Street Journal of December 28, 1960, which I think, Doctor, will be of some help on this. I read from this article: It states, "Oklahoma is limiting its hospital care payments to cases of life endangering illness," showing the variety you get under this grant-in-aid Kerr-Mills bill. "Kentucky proposes to pay only three days hospitalization in any case. West Virginia is offering no nursing home benefits, and

HUMPHREY:
(Cont'd)

limiting drug payments in only five types of illness. All of this adds up to a narrower, slower beginning than some Washington officials had hoped for." It goes down a little bit later: "The Bureau of Public Welfare Assistance payments will be slower than we thought in getting started. How soon the first trickle of funds becomes a steady flow will certainly have far-reaching significance not only for hard-pressed old folks, but the whole course of medical care in the nation's medical care programs."

The Kerr-Mills bill is helpful, I voted for it as a means for help, but it is definitely uncertain; every state and locality in this country is hard-pressed financially, and you know it, my fellow citizens. There is little or no way of raising revenues in these states or localities when you add the additional cost of a medical program over and above what you have in these states, that that's what you are doing under the grant-in-aid program. Believe me, you get yourself into financial difficulties.

Now, I say that if you are going to give our oldsters a hospital program, don't give them a promise and a hoax, give them a program, and make it so that it will be paid for, and that's what I am talking about, a pre-paid medical or hospital

HUMPHREY:
(Cont'd) care program under Social Security that is reliable, that is there when you need it, and that is there when you need it, and that will be paid for -- the hospital care will be paid -- and there will be no cancellation of policies.

DR. ANNIS: Mr. McCaffery --

McCAFFERY: I'd like to get more questions from the floor.

DR. ANNIS: There is one thing I must remind the Senator and remind the people, that the people this gentleman referred to, and those most in need, in excess of four million people in this country most in need are not covered by Social Security and would not be taken care of by this program.

QUESTION: I'd like to ask a question of Dr. Annis.

Dr. Annis, are you concerned about the poor taxpayer that will pick up the tab or are you concerned about the doctors that probably will lose a fat morsel if the health program will be linked with Social Security.

DR. ANNIS: I would like to remind you, sir, that the great majority of my patients, and the great majority of the patients of the doctors of this country fall into the category of between \$3000 and \$8000 a year income. I am concerned with my patients. Those people who will trust their lives to me will also trust their pocketbook.

HUMPHREY: I think that we recognise here, all of us, that our medical profession is a wholesome, honorable profession, and I am not one that is going to castigate them at all, Doctor. I want you to know that. I want to say we can disagree on the methods of care and methods of financing, but I am not one that is out to malign the people who have given the American people the finest degree of medical care in the world.

So, Doctor, we can argue about how to finance it, but I think that is where it ought to stop.

ACKERMAN: I am Dr. Carl Ackerman. I have a question for Dr. Annis. What do you think the effects would be of government intervention in this matter in the doctor-patient relationship?

ANNIS: Sir, I feel that when the Federal Government determines the conditions under which a doctor operates, as they will have to do, if every bill which has been presented states in there that those hospitals will give care that are under contract with the Federal Government, under rules and regulations set down by the Federal Government, I feel, sir, that we will then be dealing through a second intermediary rather than directly with the patient. We have no objections to continue to take care of people who are in need, as we have in the past. We feel that

ANNIS:
(Cont'd)

the taxpayers should very definitely contribute to hospital and medical care for those who are in need. What we feel, sir, however, is that establishing a system of socialized medicine, socialized medicine where the public -- government rather, provides for a whole class of people whether they need it or not, whether they can afford it or not, just because they fall into a category of 65 and over, and everyone in that category is taken care of by the Federal Government -- this is where we get into true socialized medicine to which we are opened. We are not opposed to the taxpayers assisting and taking care care of anyone who is in need of medical care.

HUMPHREY:

Doctor -- you know, I know the Doctor believes this and I know he means it with all of his heart, but the very program that he supports, the Kerr-Mills bill lends itself to more federal and state and local control of the medical profession than any bill I have ever heard of. As a matter of fact, Doctor, under the Kerr-Mills bill, you can direct every needy patient to go to a county hospital, and in some states, they have such provisions, they go to state hospitals, or county hospitals. Hubert Humphrey, Senator Humphrey, introduced an amendment to the Kerr-Mills bill to provide freedom of choice. I am opposed to forcing our people to go into government hospitals. I am opposed to having the

HUMPHREY:
(Cont'd)

government telling people what government they ought to have, or what hospital they ought to go to. I believe in freedom of choice. And under the bill that Humphrey supported, under the MacNamara bill in the Congress, we provide freedom of choice. The only thing we are talking about, my dear friends, is how you pay the bill. You can go to the hospital of your choice. I happen to think people get well a little faster if they go to their hospital in their own community many times, and have their own doctor, by the way. I don't always believe you get well faster in the big hospital far away from your loved ones, and I want people to have freedom of choice, and I submit Social Security payment provides that.

DR. ANNIS: Just on the possibility that Senator Humphrey might point out freedom of choice of hospital, I brought one of my own records from my own practice. In 1957 my partner and I had a patient referred to us for a hernia on his right side which we subsequently fixed. He now works as a postal clerk in the City of Hollywood. And on the 15th of December, 1960, while he was loading packages of parcel post on a truck, he slipped and fell and developed a hernia on the other side. He went to his family doctor, and he said, "You now have a hernia on the other side, it must be fixed. This rupture needs an operation."

DR. ANNIS:
(Cont'd)

He said, "Can I go to the surgeon who fixed me the last time?" He said, "Yes."

He came to the office, we called the North Shore Hospital, which is between Miami and Hollywood where he wanted to go, and made arrangements. The next day he called. He said, "Doctor, I can't have you because they tell me I have to go to a hospital and doctor assigned by the government." I called his family doctor and I said, "George--" calling Dr. Schmidt, who sent the patient to us, "--will you check into this?" He called his employer in Hollywood, and he was told that that is true, that the patient would have to be approved, examined by a public health doctor, the report would be sent to Washington, the approval would be sent back down there, and he would be assigned to a doctor and assigned to a hospital.

He said, "I'll use my own insurance and go to my own doctor." They said, "No, you won't. Your own insurance is not liable because you are governed under Federal Liability Insurance, and we are responsible. If you go to the doctor of your choice, or to the hospital of your choice, you must pay both bills yourself."

HUMPHREY:

No, Doctor. Now let me tell you, there was a program passed in the Congress for federal employees that

- HUMPHREY:
(Cont'd) permitted the federal employees themselves in their organized groups to determine what kind of a medical care program they wanted. They voted on that, Doctor. They voted, many of them --
- ANNIS: You are talking about a different program.
- HUMPHREY: There is no government socialized medicine for postal workers, except insofar as they pay in for a private insurance program.
- ANNIS: No, that's not true.
- HUMPHREY: Just like I do in the Congress.
- ANNIS: No, this man is injured on a job, and this man is covered by federal compensation.
- HUMPHREY: Oh, well now, you are talking -- Wait a minute. You are talking about Employees Compensation. May I suggest to you that if you have workmen's compensation, as many an employer does, they also sign up with particular companies' hospitals and doctors to take care of them in many states, in many states.
- ANNIS: Oh, but the only part I am pointing out, Senator, is where the federal government deals in this way, which is repeatedly in our contacts with them, they are assigning, and I am asking you what safeguards do you have under your system as opposed to any other type of government medicine that will operate in a different manner?

HUMPHREY: I have this safeguard, that you write into the law that the patient shall have free choice. That's the way you get the safeguards, and that's exactly what we intend to do. May I say, Doctor, that under the Kerr-Mills bill, and Senator Kerr complained about it to me, is that there is no free choice; you can be sent to the county or municipal hospital at the direction of the program. I am opposed to that.

McCAFFERY: I will go up to the balcony for a question from Senator Humphrey.

QUESTION: I have a question for Dr. Annis.

McCAFFERY: I want a question for Senator Humphrey.

GUBERMAN: My name is Guberman. I'd like to ask Senator Humphrey how would you provide for those persons not on Social Security; are they less deserving of care than the others?

HUMPHREY: No, they are not less deserving, and there is a problem. It is estimated within the next ten years that all persons in the nation, with the exception of a possibility of one to two percent, will be covered under Social Security. I would cover those that are not covered under Social Security with a much improved grant-in-aid program over and beyond the Kerr-Mills bill so as to take care of those. It is not as good as I would like. I think that

HUMPHREY:
(Cont'd)

inclusion under Social Security is the better way, and six out of ten would be covered, ten years from now, another 8% would be covered, and there would be about 2% not covered which we would have to take care of by grant-in-aid.

GUBERMAN: Why not bring them in now?

HUMPHREY: Because we do not have Social Security covering everyone. We provided for people to come in. Some do not want to come in.

ELLIS: Milton Ellis, Metropolitan Life. I can't understand why it is proper to bring in these eleven million that haven't paid a penny for it and not bring in the other four million who also haven't paid a penny for it but just have been unfortunate enough not to have been in Social Security.

HUMPHREY: I am for including them. If you want Senator Humphrey's point of view, I would be for including them for I believe it would be a much more desirable program, and may I say to the Metropolitan Life Insurance Company, that you'd be able to sell me a lot better insurance at a much cheaper rate if the people aged 65 and over were not covered by your health and accident programs because of the incidence of their -- and I buy insurance from you.

- ELLIS: Metropolitan Life, sir, can't create money, and we are glad to sell insurance to people over 65 or under 65 as long as the premiums are met to meet the necessary risks.
- ANNIS: That's true insurance.
- McCAFFERY: And you'll be out in the hall with forms?
- ELLIS: That's contractual insurance, pre-paid, but it's not a welfare plan such as the Nestor case in the United States Supreme Court said the Social Security plan was.
- McCAFFERY: Now, ladies and gentlemen, we are going to have to switch from New York to Tampa, Florida, and we go there to newsman Sam Lattimer in Tampa.
- Will you go ahead, Tampa.
- LATTIMER: I am down here in Tampa and St. Petersburg, where the Golden Agers are on the increase, we have also had our panel discussion, and you will meet two of those panelists in just a moment. The indications are there are some very pertinent questions to be asked of Senator Humphrey and of Dr. Annis. Now meet one of our panelists for this evening. Dr. Philip Hampton. The Doctor has a question for Dr. Annis, I believe.
- DR. PHILIP HAMPTON: Thank you, Mr. Lattimer.

DR. HAMPTON: Dr. Annis, hospitals have recently reported a
(Cont'd) greatly increased efficiency in reducing the number of hospital days required to inadequately treat illness. What do you think a Social Security supported hospital care program will do to this hospital efficiency and economy?

ANNIS: I think a very good example is some of the compensation, to which Senator Humphrey and I have just recently spoken. It is a strange thing, but we will have an employer in and fix his hernia, and he wants to go home in two, three or four days. We will take his employee in, very frequently, and he will want to prolong his hospitalization for one reason or another because somebody else is picking up the entire bill. I don't say that it is planned that way, but it is just sort of human nature. If you get into the hospital and they treat you well, and take good care of you and it isn't going to cost you any more if you spend an extra day or so, I believe it's human nature to prolong your care. That's a good example in the Veterans Administration. As you know, we have a hospital in Miami -- I don't know whether you have one in your city or not, but here, the average person in the private hospitals in Miami for acute appendix will be out in three, four or five days, but in the Veterans hospitals, similar patients will be out in ten, twelve days, and the taxpayers pick up the tab.

ANNIS:
(Cont'd)

I do believe when somebody else is going to pay the entire cost, there is a very human feeling and a very human shortcoming in which we'd like to say and enjoy our stay there just a little longer.

HUMPHREY:

May I say this same thing would apply to private insurance. I belong to a group health program. I am entitled to stay in the hospital quite a little while, and so are my children, but we like to get home. Very normal, we just like to get home.

I should like to also add, Doctor, that the first hospitals in this country to make a decided improvement in the release of patients on a more timely schedule was the Veterans Administration hospitals under the famous Dr. Magnussen and Omar Bradley, and under the teaching program of our universities. We have a Veterans Hospital in Minnesota, Fort Snelling, under the general direction of the University of Minnesota Medical School, and I would not let you get by, Doctor, with charging them at Fort Snelling with malingering, prolonging the stay of patients, and I'll tell you why: I like the doctors too much. A man doesn't stay in the hospital unless the doctor says he can.

ANNIS:

On the contrary, Senator, as you said, you have insurance, but it is also true in most of your insurance policies that you will still pay a little

ANNIS:
(Cont'd)

addition to the insurance every day. We have patients who recognize this and they do pay a lot of attention to it, and if you come into a hospital and you say, "It's perfectly all right for you to go home today," and the patient says to you, "Well, the weather isn't very good, or my wife isn't home today and I can't climb the stairs or cook my own food, and I'd like to stay an extra day or so," the doctor cannot pick him up bodily, and there is a strong incentive when there is some cost involved.

McCAFFERY: We have another question from WFLA-TV in Tampa.

LATTIMER: This is Nelson Cruikshank, the Director of the Department of Social Security, AFL-CIO, with offices in Washington, Mr. Cruikshank.

CRUIKSHANK: I'd like to ask Dr. Annis this question: Do you not believe, Doctor Annis, that the people of this country, operating through their system of democratic government, have a right to choose the method that they prefer to pay their medical bills after age 65, and do you not believe that the fact that the recent White House Conference on Aging, which just concluded this week, where six out of the seven groups considering the problem said that they favored the Social Security method, is any indication of the wishes and will of the American people?

ANNIS: Sir, I'd be very happy to answer.

Your first question is: Do the people have the right to choose the manner of payment? And I say by all means they do, but I feel also that the people have a right to know all facts pertaining to all methods of payment before they make their final decision.

The second part of your question, sir, I will say that those, for example, who represented my home state of Florida could have told you their opinions before their original meetings were held in the State of Florida, and before they went to the White House Conference. And from what I understand, similar groups were reporting elsewhere in the country, and they do not reflect a cross section of the thinking of the people of their respective states.

HUMPHREY: Doctor, I hope that you mean that some of those who were objecting to Social Security were not representing their thinking because the public opinion surveys that have been taken, in one area of the United States after another, show unquestionably that the people of the United States favor the Social Security method of payment. I don't say that you can judge everything by polls, but in the last election it was rather close, I might add--the polls were--and they demonstrated it.

- HUMPHREY: Now, one other thing I would like to call to your
(Cont'd) attention is --
- McCAFFERY: Senator, I wonder if we can have another question
from down there. They have been waiting. May we
have another question from Tampa.
- LATTIMER: Yes, I think we may have a question from a lady
in the audience now.
- McCAFFERY: It's a question of which lady.
- MARCOTT: I'm Mrs. Adele Marcott. I'd like to ask Senator
Humphrey: The Kerr-Mills bill was passed in the
86th Session of Congress. Why don't we give it a
chance to operate at the state level before we
completely abandon it?
- HUMPHREY: I believe that's a fair proposition. It will be
operating at the state level even if your Social
Security program should go into effect. It will be
operating for some people because as indicated here
in the discussion tonight, Social Security does not
cover everybody. It covers only eight out of ten.
I would also add thought that we examined the Kerr-
Mills bill rather carefully in the Congress, and 44
members of the Senate voted against it. In other
words, there was a slim majority of four. Now
Marion Folsom, former Secretary of Education,
Health and Public Welfare under the Eisenhower

HUMPHREY:
(Cont'd)

Administration has now come out for Social Security payment of medical care, health care for our elderly. Arthur Larson, Special Adviser to the President, now at Duke University. Both of these men who indicated earlier they were not for the Social Security payment, have come out for Social Security payment for medical or health care for the elderly. Life magazine, New York Times, Business Week, a host of publications who have taken a new look, have now found that the Social Security method seems more desirable, and I will predict something to you, that the doctors who attended the Conference on Aging, many of them found that they had not had all of the truth presented to them, and when they got the truth, at the Conference, six out of seven panels, as Mr. Cruikshank said, voted for the Social Security method of financing.

That is what we are talking about, the Social Security method of financing. I think it is more frugal, more prudent, more conservative; I think it is sound and solvent, and that's what I'm for.

McCAFFERY: Is there another question from Tampa?

McCONNELL: Dr. B. H. McConnell. Senator Humphrey, why do you think the American Medical Association is opposed to this bill you're trying to pass?

HUMPHREY: Well, I haven't wanted to recite the record nature of the opposition of the American Medical Association to a number of pieces of legislation because I am afraid it might be interpreted as just picking on the A.M.A., and I am not. I am too closely associated in my professional work, in our business, with doctors and clinics and hospitals to ever feel this way. But it is a fact that the American Medical Association opposed the disability part, for example, under Social Security that we passed in 1956. The American Medical Association once opposed the whole concept of hospital aid on the part of the federal government. Now it has opposed what it considers to be the hand of the government in any aspect of the medical program. This is a legitimate feeling on their part; I just disagree with it.

I must say that were it not for the federal government, much of the medical research of today would not be able to be undertaken. We are spending well over almost a billion dollars at the National Institutes of Health for medical research, and another half a billion or more in other areas of medical programs. A doctor, like many of us who have been given a college education, has been given the benefit of a great deal of community help during his training, and he has to sacrifice a great deal during his period of internship.

HUMPHREY:
(Cont'd)

I don't want to get into an argument of accusing doctors of being against all kinds of legislation. I think in this instance that they are wrong on the financing. I believe that they are seeing visions of spooks and ghosts, political spooks and ghosts that just do not exist, and I appeal to the doctors to take another look at it, and I think when they do, they will find there are those of us in Congress, Doctor, who are so concerned over freedom of choice, and the ethical and professional standards of medicine that we would never let the Government of the United States dominate either the medical profession or the doctor-patient relationship.

McCAFFERY: We have time for one more question from Tampa. Time for one more question.

MRS. CHASEY: Senator Humphrey, several plans recommended for government care provide that the state shall take care of even the burial of aged citizens, and that that person's estate be willed to the government to help defray the cost which the state has expended. What do you think of this plan?

HUMPHREY: I am opposed to it.

McCAFFERY: And Dr. Annis, do you want to go on record on this question, too?

ANNIS: Senator Humphrey and I found grounds for agreement.

HUMPHREY: It was burial and death, but we made it.

McCAFFERY: It's taken us almost an hour, but I think we can congratulate the lady in Tampa for having found an area on which Dr. Annis and Senator Humphrey.

Tonight we have had -- thank you, in Tampa -- we have had an enormously stimulating discussion, and thank you, Dr. Annis and Senator Humphrey for providing the material for that stimulating conversation. I also want to thank our audience both in Tampa and here for the enthusiasm which they contributed to our discussion. I would like to thank them and thank all the people in the audiences.

This is John McCaffery. Good night.



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