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OPENING REMARKS BY
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I am here to speak for the Adminismunification's health insurance, hospital care
program under the Social Security system-known legislatively as the King-Anderson
Bill.

American people--of all ages--want and deserve. I believe that this is a necessary program. I believe that this is a sound and fiscally-responsible program. And I predict that it will be approved by Congress and signed into law this year.

First, let me define briefly what

the King-Anderson bill provides: It authorizes full hospital cost coverage up to 90 days a year, with the patient paying \$10 a day for the first nine days. It provides full nursing home coverage up to 180 days after a patient has left the hospital. It covers the cost of up to 240 home visits a year for health services. It allows for outpatient diagnostic services at a hospital, with the patient paying no more than \$20 for each study.

The important <u>fact</u> to remember about the King-Anderson bill is that the patient's right to select his own doctor, his own hospital or his own nursing home is guaranteed under this program. Any statement that

a program with this feature is "socialized medicine" is either uter nonsense or irresponsible propaganda.

How will this health insurance program be financed under the King-Anderson Bill?

It will be paid for through the actuarilly-sound principles of social insurance. It will be financed by revenue from a one-fourth of one per cent increase of the Social Security tax on employees and employers on the first \$5,200 of income.

This will be pre-paid hospital care insurance.

Patients will not be given a charity handout, but will receive payments for hospital costs as a result of paying into this

insurance program over a life-time of earnings. The cost of this insurance to the average worker will be about \$12 a year.

The King-Anderson program would cover immediately the 14,700,000 citizens, over 65, who are now receiving Social Security benefits. It would cover 95 per cent of today's wage earners when they reach the age of 65.

Some opponents of the King-Anderson

Bill have argued that the Kerr-Mills program,

approved by Congress two years ago, is

"enough," or that the Kerr-Mills Bill has

not been given enough time to prove itself."

The Kerr-Mills program could provide

a necessary supplement to the Administration's program.

But Kerr-Mills requires a humiliating Means
"poverty test," it covers only so-called
"charity" cases, it guarantees no free
choice of doctor or hospital, its program
has not been adopted by most of the States,
and--most important--it provides a drain
on the Federal treasury with no provision
to balance that drain with revenue.

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Kerr-Mills is not enough, and it could not 100 pers "prove itself" as the final answer to the need for an effective, soundly-financed health insurance program.

Why is a new health and hospital care

program needed?

Today, more than 17 and a half million citizens are over 65 years of age. The figure will increase to 23 million in ten years.

Nine out of ten citizens over 65
years old will be hospitalized at least
once. Two-thirds of them will be hospitalized twice or more.

And the average daily hospital cost which was only \$9 a day in 1946 is now \$32 a day. The average hospital stay for a person over 65 is 15 days.

The heavy needs and the heavy costs

for hospital care thus come to our citizens

when they are least able to afford it-
after age 65. Those needs and costs will

continue to rise.

The King-Anderson Bill will allow our citizens to pay those costs-through productive health insurance-during their years of earning power.

This program thus provides health care not as charity, but as an <u>earned</u> right. It will sustain the individual dignity, and not just the physical security, of the American citizen in his advanced years.

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