FOREWORD

In 1960 we shall be observing the 25th anniversary of Social Security in America.

We have made considerable progress since the days of the county poorhouse. This progress has been made despite the opposition from organized medicine to the original Social Security Act of 1935 and to subsequent major improvements.

Many public-spirited physicians have shared our regret that the voice of the medical profession has been raised so consistently with the voices of big business and the commercial insurance industry against each new form of social insurance, including the disability amendments of 1956, which have now gained general acceptance.

Today the most serious gap in our family security structure is the failure to provide payments for medical care for retired people and for families whose breadwinner has died. The Forand bill (H.R. 4700) would fill this gap.

There were Congressional hearings on this bill in July 1959. Many prominent physicians, aware of the quarter-century successful operation of old-age and survivors insurance agreed with representatives of labor, professional, farmer and welfare groups that this social security mechanism could be employed to meet the medical needs of retired people. Some of these doctors dared to speak out. They were not all in favor of the bill in its present form, and a number of them made valuable suggestions for ways of improving it. These were welcomed by Congressman Forand and others who support the proposal.

Excerpts * from the statements of these men, all outstanding leaders in the medical profession, are contained in this leaflet. We, in labor, are indebted to these fine doctors for their support and their constructive suggestions.

* The full text of the statements of the physicians cited here can be found in *Hospital, Nursing Home, and Surgical Benefits for OASI Beneficiaries*, Hearings before the Committee on Ways and Means, House of Representatives, 86th Congress, 1st session, on H.R. 4700, July 13 through July 17, 1959, Government Printing Office, Washington, D. C.

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I am a director of the Hospital Council of Philadelphia and appear today on its behalf and specifically on behalf of its committee on government relations which, during the past four months, has been making an intensive study of the problem of financing hospital care of the needy in Pennsylvania.

Unpaid care has become such a drain on the resources of our hospitals that the quality and the availability of hospital services are seriously threatened.

There are currently about 250,000 people on social security in the five counties of southeastern Pennsylvania, and these people use about 36 percent of all free care given in the area's 58 hospitals. If these beneficiaries were covered by hospital insurance, a third of our free care deficits would be wiped out. State and local grants could then be applied to the remaining two-thirds, and hospitals would be financially able to devote a much larger portion of their income to improvement of services and the raising of wages.

Under H.R. 4700, benefits would be paid to hospitals for OASDI recipients either directly from the social security trust fund, or indirectly through voluntary insurance plans.

Such a system . . . would minimize pauperism by making a means test unnecessary for obtaining benefits; it would eliminate the need for any contribution after retirement; it would spread contributions over the individual's working lifetime; it would avoid increasing the costs of voluntary hospital insurance for the younger population because of the inclusion of aged persons; and it would appeal to State and local governments and their taxpayers, as it would tend to keep down the ever-increasing cost of health care under public assistance and State hospital aid programs.

My experience . . . as a public health executive in the city of Philadelphia brings before me continuously problems of people who are unable to receive the kind and quantity of medical care that a physician practicing in the community would judge it would be necessary for them to receive.