

JAN 7 1965

GRAND RAPIDS 6, MICHIGAN

THORACIC SURGERY
CARDIOVASCULAR SURGERY
ENDOSCOPY

January 2, 1965

Rep. John Dowdy
House Office Building
Washington, D.C.

RE: HEALTH CARE FOR
THE AGED

Dear Sir:

A government sponsored health care plan for the aged and disabled will soon be under consideration again. Everyone will agree that we need an adequate and reasonable plan. The present programs probably do need improvement or increased implementation.

Enclosed you will find a copy of a proposal which I as a physician and citizen submitted to Representative Mills, Chairman of the Ways and Means Committee and other key members of Congress, as well as friends and colleagues in May of 1962. This was endorsed by 175 representative, thinking citizens from Western Michigan. A majority of them were sixty years old or over - in the Social Security group. This plan is voluntary. It would encourage individual responsibility, private insurance programs and would provide adequate coverage for all aged at reasonable cost. It would utilize Social Security funds and would be largely self-sustaining. I found this plan generally acceptable to older people including patients, business people, clergy, some physicians, and others who were glad to endorse it. Mr. Mills has received additional signatures supporting the plan and he has indicated to me that it had real merit.

This proposal may possibly be of value in your deliberations on the problem. Your consideration of it would be greatly appreciated.

Yours sincerely,

RAR/gdy

PROPOSAL
FOR
HEALTH CARE PROGRAM
FOR THE
SENIOR CITIZEN AND THE DISABLED

BY

[REDACTED] M.D.
[REDACTED]

(A Voluntary Program financed by
Private Means and Social Security)

MAY 1962

●originally submitted to Chairman
Wilbur Mills of the Ways and Means
Committee and others on June 4, 1962

I. CITIZENS, SAVINGS, RESPONSIBILITIES

Everyone, including all of our Country's physicians, agrees that medical care should be available for each and every citizen who needs it regardless of his financial status. The physicians' services are rendered irrespective of ability to pay. This should be recognized. At present, medical care is provided directly through our country's physicians and hospitals or through various agencies including governmental. Payment is by the individual, insurance of various kinds, or by public support - government.

Every citizen should strive during his working years to accumulate an estate sufficient to provide for food, shelter, health care and other necessities during his non-productive or declining years. He has a responsibility to conserve savings for his own need before any distribution to his heirs so as to avoid unnecessary assistance from the public. Unless the citizen accepts this responsibility, he can feel no pride in himself as a person and cannot be called a good citizen. However, if he tries and, because of misfortunes or unavoidable errors, does not succeed in saving enough to support himself, his wife and any dependent or disabled children in his old age, he must still be considered a good citizen and entitled to the help of the community. His fellow citizens have always stood ready to assist. This is basic American Philosophy.

II. THE WAY THINGS ARE NOW

Since there are many senior citizens who have been unfortunate and many who have been irresponsible, it is necessary that those who are fortunate and provident should, through governmental agencies, provide for those who are in need. The need usually includes medical and hospital care. Under the present system, persons who are sixty or under can usually pay for their medical care from income, savings and insurance. Some need help from agencies.

Most persons over 65 have adequate income, savings or insurance to cover their medical expenses and should pay their own way. Others, a minority, have very little or nothing and must rely entirely on family or outside help for hospital and medical care as well as some other essentials. Still others in this age group are marginal. They may own a modest home, have a few hundred dollars in savings, but not enough to cover the cost of prolonged illness and hospitalization. To do so would deplete savings and home or (estate) and imperil the individual's security and comfort, so far as the other essentials for living are con-

cerned. The use of "savings" for illness would appear to be objectionable. The necessity to request help for medical or other essentials from existant agencies is also said to be objectionable.

It is claimed that the present methods of providing medical care are inadequate, expensive and undesirable. Therefore, we are told that we must have an involuntary payment plan to care for all social security eligible persons over 65 though many have ample means. This plan would be financed by the working segment of our population and by employers. It would be administered through social security and admittedly would be expensive.

III. THE ADMINISTRATION PLAN AND THE PUBLIC INTEREST

The Kennedy proposal would provide social security coverage for medical care for all eligible persons over 65. It could easily be expanded to cover all ages.

The obvious objections to this plan are:

- 1) Not all of our "over 65's" need it.
- 2) The cost of such a program would be colossal.
- 3) It would encourage the overuse and misuse of hospitals and medical services.
- 4) It is unfair for the social security paying employee to be compelled to support those who do not need support. It is even more unfair for employer contributions to be increased so as to provide for health care.
- 5) It would tend to lower the standards of the profession and to lower the quality of medical care.
- 6) The increase in health coverage proposed by this plan will (as shown by Blue Cross and other insurance plans) increase the demand for hospitals, doctors and other personnel. The plan cannot operate effectively unless many more become available. Where will we get them? There is already a shortage of doctors and nurses.
- 7) It would probably be a prelude to not only state medicine, but other socialistic plans.
8. By lowering the need for individual responsibility, it would tend to eliminate the initiative and pride which are our American heritage.

We need a more realistic program under which those able to pay could do so, those able to pay in part would do so, those unable to pay would receive care. This should be accomplished without embarrassment to anyone and without serious restriction of care for any citizen.

The individual should assume responsibility for his health care in old age. He should not have to accept the president's program or any program unless he needs or wants it. In other words, his participation should be voluntary. To be acceptable, the program should enable the citizen to preserve his self respect and his respect for government. It should take into consideration, the proper needs of the doctor and the value of his contribution. It seems to us that the goals of our national government should be to encourage individual responsibility, to set up minimum standards for care and to provide financial assistance in case of need ---all in the public interest.

IV. PROPOSAL OF RICHARD A. RASMUSSEN, M. D.

That medical care, hospital care and nursing home care be provided under S.S. for any person over 65 if he elects to have it. This care would be available to the individual at any time (after the age of 65) that he wanted it. If he chose to use the social security medical coverage, all care which he received would be charged against his S.S. number, with repayment to be made after death from his reserves or estate in the following manner:

- 1) A sum (\$600.00) burial expense would be allowed for the individual and a similar sum for his wife.
- 2) From the remaining estate funds, social security would reclaim the amounts spent for the individual's care plus the actual administrative cost (10-15%). The remainder of the estate would then be distributed to the heirs, according to existing laws.
- 3) If there were no estate or a very limited estate, there would be either partial or no repayment.

The individual who had reserves, savings and private insurance coverage could use them freely as he chose. He could alternately at any time elect to use his social security coverage. He would always have the security of health care whenever he needed it, plus the sense of pride in knowing that he would be paying for it wholly or in part when his estate was settled. The balance of the estate after settlement of the social security amount would be subject to the usual laws governing estates. It should not be subject to eventual confiscatory taxation.

Medical and hospital care provided under social security would be delivered at standard pre-set, agreed upon prices. The hospital would be paid full cost. The physician would be paid full fees because there would be no "medical indigents". Social security (U. S. Treas.) would in effect expend funds only for the indigent and for those able to make only partial payment. The social security withholding tax would be increased only enough to cover the expense of health care and administrative cost for those persons who are unable to provide for themselves. Social security would thus provide a living loan fund for medical care for our older people, the taxpayers of the U.S. assuming the unpaid obligations of those covered.

V. ADVANTAGES OF THE PROPOSAL

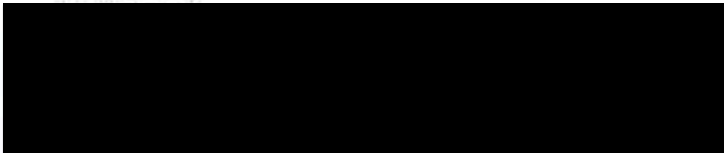
- 1) This plan would be less expensive for the government (and taxpayers) than the president's plan, and yet would provide for just as much medical care.
- 2) It would encourage individuals to conserve their resources and pay their own way if they possibly could. This encouragement of individual responsibility is an important point. Unless the majority of our citizens are productive and self-supporting, our nation will certainly decline. If our younger persons can rely on the government for security, they are not going to work as hard as they might otherwise.
- 3) This plan would offer the senior citizen of limited resources a readily accessible means of obtaining health care without sacrificing his pride. The indigent would receive all necessary health coverage.
- 4) The plan would discourage overuse and misuse of hospitals and physicians' services, because repayment would be required. The individual with funds would be his own judge of need, and, in the interest of conserving his estate, would not be inclined to overuse medical and hospital facilities. The cost of "administration" would be encouragement to individuals to utilize private reserves whenever possible.
- 5) Under this plan, private insurance would be encouraged. Healthy competition would prevail and the cost would be held down.
- 6) The plan should meet many of the objectives of organized medicine. It would be voluntary; it would encourage the individual to plan for himself; it would encourage the use of private insurance and reserves, and preserve the freedom of the individual and the doctor. It would provide for unrestricted care for the aged. Proper and adequate consideration would be given to the individual

- 6) (Con't) and agencies who render the services; namely, the nation's physicians and hospitals as well as all types of other health agencies. Present voluntary agencies would be allowed to exist.
- 7) The plan should meet the desires of the responsible members of organized labor, those who hope to be able to care for themselves but also want to be sure of help in case of need.
- 8) It would tend to discourage the trend toward direct governmental control of medicine, lest our doctors start leaving us, as Britain's younger doctors are leaving their country and field because of dissatisfaction with socialized medicine.

VI. STEPS NECESSARY BY GOVERNMENT TO ENCOURAGE PRESERVATION OF ESTATES AND PRIVATE INSURANCE COVERAGE UNDER THIS PROPOSAL.

- 1) The conservation of sufficient estate funds to provide for old age would, with few exceptions, be encouraged by appropriate taxation of gifts to future heirs. The depletion of savings or estate by gift to family, relatives or philanthropy would be discouraged.
- 2) Tax deduction allowance should be made for the usual care of dependent children, full allowance for further (higher) education of dependent children and for any disabled children.
- 3) Tax deduction allowance should be made for minimum health insurance for each individual.
- 4) The provision of adequate insurance for all individuals by establishing minimum underwriting standards such as those provided by Blue Cross Programs or other comparable coverages now available. Inferior coverages should be eliminated for the good of all.

Signed,


Grand Rapids, Michigan 49506