

Public Law 90-248

AN ACT

January 2, 1968
[H. R. 12080]

To amend the Social Security Act to provide an increase in benefits under the old-age, survivors, and disability insurance system, to provide benefits for additional categories of individuals, to improve the public assistance program and programs relating to the welfare and health of children, 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, with the following table of contents, may be cited as the "Social Security Amendments of 1967".

Social Security
Amendments of
1967.

TABLE OF CONTENTS

TITLE I—OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH
INSURANCEPART 1—BENEFITS UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY
INSURANCE PROGRAM

- Sec. 101. Increase in old-age, survivors, and disability insurance benefits.
- Sec. 102. Increase in benefits for certain individuals age 72 and over.
- Sec. 103. Maximum amount of a wife's or husband's insurance benefit.
- Sec. 104. Benefits to disabled widows and widowers.
- Sec. 105. Insured status for younger disabled workers.
- Sec. 106. Benefits in case of members of the uniformed services.
- Sec. 107. Liberalization of earnings test.
- Sec. 108. Increase of earnings counted for benefit and tax purposes.
- Sec. 109. Changes in tax schedules.
- Sec. 110. Allocation to disability insurance trust fund.
- Sec. 111. Extension of time for filing application for disability freeze where failure to make timely application is due to incompetency.
- Sec. 112. Benefits for certain adopted children.

PART 2—COVERAGE UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY
INSURANCE PROGRAM

- Sec. 115. Coverage of ministers.
- Sec. 116. Coverage of State and local employees.
- Sec. 117. Inclusion of Illinois among States permitted to divide their retirement systems.
- Sec. 118. Taxation of certain earnings of retired partner.
- Sec. 119. Inclusion of Puerto Rico among States permitted to include firemen and policemen; validation of certain past coverage in the State of Nebraska.
- Sec. 120. Coverage of firemen's positions pursuant to a State agreement.
- Sec. 121. Validation of coverage erroneously reported.
- Sec. 122. Coverage of fees of State and local government employees as self-employment income.
- Sec. 123. Family employment in a private home.
- Sec. 124. Termination of coverage of employees of the Massachusetts Turnpike Authority.

PART 3—HEALTH INSURANCE BENEFITS

- Sec. 125. Method of payment to physicians under supplementary medical insurance program.
- Sec. 126. Elimination of requirement of physician certification in case of certain hospital services.
- Sec. 127. Inclusion of podiatrists' services under supplementary medical insurance program.
- Sec. 128. Exclusion of certain services.
- Sec. 129. Transfer of all outpatient hospital services to supplementary medical insurance program.
- Sec. 130. Billing by hospital for services furnished to outpatients.
- Sec. 131. Payment of reasonable charges for radiological or pathological services furnished by certain physicians to hospital inpatients.
- Sec. 132. Payment for purchase of durable medical equipment.
- Sec. 133. Payment for physical therapy services furnished to outpatients.
- Sec. 134. Payment for certain portable X-ray services.
- Sec. 135. Blood deductibles.

TABLE OF CONTENTS—Continued

TITLE I—OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH INSURANCE—Continued

PART 3—HEALTH INSURANCE BENEFITS—Continued

- Sec. 136. Enrollment under supplementary medical insurance program based on alleged date of attaining age 65.
- Sec. 137. Extension by 60 days during individual's lifetime of maximum duration of benefits for inpatient hospital services.
- Sec. 138. Limitation on special reduction in allowable days of inpatient hospital services.
- Sec. 139. Transitional provision on eligibility of presently uninsured individuals for hospital insurance benefits.
- Sec. 140. Advisory Council to study coverage of the disabled under title XVIII of the Social Security Act.
- Sec. 141. Study to determine feasibility of inclusion of certain additional services under part B of title XVIII of the Social Security Act.
- Sec. 142. Provisions for benefits under part A of title XVIII of the Social Security Act for services to patients admitted prior to 1968 to certain hospitals.
- Sec. 143. Payments for emergency hospital services.
- Sec. 144. Payment under supplementary medical insurance program for certain inpatient ancillary services.
- Sec. 145. General enrollment period under title XVIII.
- Sec. 146. Elimination of special reduction in allowable days of inpatient hospital services for patients in tuberculosis hospitals.

PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS

- Sec. 150. Eligibility of adopted child for monthly benefits.
- Sec. 151. Criteria for determining child's dependency on mother.
- Sec. 152. Recovery of overpayments.
- Sec. 153. Benefits paid on basis of erroneous reports of death in military service.
- Sec. 154. Underpayments.
- Sec. 155. Simplification of computation of primary insurance amount and quarters of coverage in case of 1937-1950 wages.
- Sec. 156. Definitions of widow, widower, and stepchild.
- Sec. 157. Husband's and widower's insurance benefits without requirement of wife's currently insured status.
- Sec. 158. Definition of disability.
- Sec. 159. Disability benefits affected by receipt of workmen's compensation.
- Sec. 160. Extension of time for filing reports of earnings.
- Sec. 161. Penalties for failure to file timely reports of earnings and other events.
- Sec. 162. Limitation on payment of benefits to aliens outside the United States.
- Sec. 163. Benefits for certain children.
- Sec. 164. Transfer to Health Insurance Benefits Advisory Council of National Medical Review Committee functions; increase in Council's membership.
- Sec. 165. Advisory Council on Social Security.
- Sec. 166. Reimbursement of civil service retirement annuitants for certain premium payments under supplementary medical insurance program.
- Sec. 167. Appropriations to supplementary medical insurance trust fund.
- Sec. 168. Disclosure to courts of whereabouts of certain individuals.
- Sec. 169. Reports of boards of trustees to Congress.
- Sec. 170. General saving provision.
- Sec. 171. Expedited benefit payments.
- Sec. 172. Definition of blindness.
- Sec. 173. Attorneys fees for claimants.

TITLE II—PUBLIC WELFARE AMENDMENTS

PART 1—PUBLIC ASSISTANCE AMENDMENTS

- Sec. 201. Programs of services furnished to families with dependent children.
- Sec. 202. Earnings exemption for recipients of aid to families with dependent children.
- Sec. 203. Dependent children of unemployed fathers.
- Sec. 204. Work incentive program for recipients of aid under part A of title IV.
- Sec. 205. Federal participation in payments for foster care of certain dependent children.
- Sec. 206. Emergency assistance for certain needy families with children.

TABLE OF CONTENTS—Continued

TITLE II—PUBLIC WELFARE AMENDMENTS—Continued

PART 1—PUBLIC ASSISTANCE AMENDMENTS—Continued

- Sec. 207. Protective payments and vendor payments with respect to dependent children.
- Sec. 208. Limitation on number of children with respect to whom Federal payments may be made.
- Sec. 209. Federal participation in payments for repairs to home owned by recipient of aid or assistance.
- Sec. 210. Use of subprofessional staff and volunteers in providing services to individuals applying for and receiving assistance.
- Sec. 211. Location of certain parents who desert or abandon dependent children.
- Sec. 212. Provision of services by others than a State.
- Sec. 213. Authority to disregard additional income of recipients of public assistance.

PART 2—MEDICAL ASSISTANCE AMENDMENTS

- Sec. 220. Limitation on Federal participation in medical assistance.
- Sec. 221. Maintenance of State effort.
- Sec. 222. Coordination of title XIX and the supplementary medical insurance program.
- Sec. 223. Modification of comparability provisions.
- Sec. 224. Required services under State medical assistance plan.
- Sec. 225. Extent of Federal financial participation in certain administrative expenses.
- Sec. 226. Advisory council on medical assistance.
- Sec. 227. Free choice by individuals eligible for medical assistance.
- Sec. 228. Utilization of State facilities to provide consultative services to institutions furnishing medical care.
- Sec. 229. Payments for services and care by a third party.
- Sec. 230. Direct payments to certain recipients of medical assistance.
- Sec. 231. Date on which State plans under title XIX must meet certain financial participation requirements.
- Sec. 232. Observance of religious beliefs.
- Sec. 233. Coverage under title XIX of certain spouses of individuals receiving cash welfare aid or assistance.
- Sec. 234. Standards for skilled nursing homes furnishing services under State plans approved under title XIX.
- Sec. 235. Cost sharing and similar charges with respect to inpatient hospital services furnished under title XIX.
- Sec. 236. State plan requirements regarding licensing of administrators of skilled nursing homes furnishing services under State plans approved under title XIX.
- Sec. 237. Utilization of care and services furnished under title XIX.
- Sec. 238. Differences in standards with respect to income eligibility under title XIX.

PART 3—CHILD-WELFARE SERVICES AMENDMENTS

- Sec. 240. Inclusion of child-welfare services in title IV.
- Sec. 241. Conforming amendments.

PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS

- Sec. 245. Partial payments to States.
- Sec. 246. Contracts for cooperative research or demonstration projects.
- Sec. 247. Permanent authority to support demonstration projects.
- Sec. 248. Special provisions relating to Puerto Rico, the Virgin Islands, and Guam.
- Sec. 249. Approval of certain projects.
- Sec. 250. Assistance in the form of institutional services in intermediate care facilities.

TITLE III—IMPROVEMENT OF CHILD HEALTH

- Sec. 301. Consolidation of separate programs under title V of the Social Security Act.
- Sec. 302. Conforming amendments.
- Sec. 303. 1968 authorization for maternity and infant care projects.
- Sec. 304. Use of subprofessional staff and volunteers.
- Sec. 305. Extension of due date for child mental health report.
- Sec. 306. Short title.

TABLE OF CONTENTS—Continued

TITLE IV—GENERAL PROVISIONS

- Sec. 401. Social work manpower and training.
- Sec. 402. Incentives for economy while maintaining or improving quality in the provision of health services.
- Sec. 403. Changes to reflect codification of title 5, United States Code.
- Sec. 404. Meaning of Secretary.
- Sec. 405. Study of retirement test and of drug standards and coverage.

TITLE V—MISCELLANEOUS PROVISIONS

- Sec. 501. Extension of period for filing application for exemption by members of religious groups opposed to insurance.
- Sec. 502. Refund of certain overpayments by employees of hospital insurance tax.
- Sec. 503. Extension of time to provide assistance for United States citizens returned from foreign countries.
- Sec. 504. Exclusion from definition of wages of certain retirement, etc., payments under employer-established plans.

TITLE I—OLD-AGE, SURVIVORS, DISABILITY, AND HEALTH INSURANCE

PART 1—BENEFITS UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

INCREASE IN OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

SEC. 101. (a) Section 215(a) of the Social Security Act is amended by striking out the table and inserting in lieu thereof the following:

“TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

“I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1965 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
	\$15.60	\$48.00 or less	-----	\$74	\$55.00	\$82.50
\$15.61	16.20	49.00	\$75	76	55.40	83.10
16.21	16.84	50.00	77	78	56.50	84.80
16.85	17.60	51.00	79	80	57.70	86.60
17.61	18.40	52.00	81	81	58.80	88.20
18.41	19.24	53.00	82	83	59.90	89.90
19.25	20.00	54.00	84	85	61.10	91.70
20.01	20.64	55.00	86	87	62.20	93.30
20.65	21.28	56.00	88	89	63.30	95.00
21.29	21.88	57.00	90	90	64.50	96.80
21.89	22.28	58.00	91	92	65.60	98.40
22.29	22.68	59.00	93	94	66.70	100.10
22.69	23.08	60.00	95	96	67.80	101.70
23.09	23.44	61.00	97	97	69.00	103.50
23.45	23.76	62.10	98	99	70.20	105.30
23.77	24.20	63.20	100	101	71.50	107.30
24.21	24.60	64.20	102	102	72.60	108.90
24.61	25.00	65.30	103	104	73.80	110.70
25.01	25.48	66.40	105	106	75.10	112.70
25.49	25.92	67.50	107	107	76.30	114.50
25.93	26.40	68.50	108	109	77.50	116.30
26.41	26.94	69.60	110	113	78.70	118.10
26.95	27.46	70.70	114	118	79.90	119.90
27.47	28.00	71.70	119	122	81.10	121.70
28.01	28.68	72.80	123	127	82.30	123.50

79 Stat. 361.
42 USC 415.

“TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS—Continued

“I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1965 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
\$28.00	\$29.25	\$73.00	\$128	\$132	\$83.60	\$125.40
29.26	29.68	74.90	133	136	84.70	127.10
29.69	30.36	76.00	137	141	85.90	128.90
30.37	30.92	77.10	142	146	87.20	130.80
30.93	31.36	78.20	147	150	88.40	132.60
31.37	32.00	79.20	151	155	89.50	134.30
32.01	32.60	80.30	156	160	90.80	136.20
32.61	33.20	81.40	161	164	92.00	138.00
33.21	33.88	82.40	165	169	93.20	139.80
33.89	34.50	83.50	170	174	94.40	141.60
34.51	35.00	84.60	175	178	95.60	143.40
35.01	35.80	85.60	179	183	96.80	146.40
35.81	36.40	86.70	184	188	98.00	150.40
36.41	37.08	87.80	189	193	99.30	154.40
37.09	37.60	88.90	194	197	100.50	157.60
37.61	38.20	89.90	198	202	101.60	161.60
38.21	39.12	91.00	203	207	102.90	165.60
39.13	39.68	92.10	208	211	104.10	168.80
39.69	40.33	93.10	212	216	105.20	172.80
40.34	41.12	94.20	217	221	106.50	176.80
41.13	41.76	95.30	222	225	107.70	180.00
41.77	42.44	96.30	226	230	108.90	184.00
42.45	43.20	97.40	231	235	110.10	188.00
43.21	43.76	98.50	236	239	111.40	191.20
43.77	44.44	99.60	240	244	112.60	195.20
44.45	44.88	100.60	245	249	113.70	199.20
44.89	45.60	101.70	250	253	115.00	202.40
		102.80	254	258	116.20	206.40
		103.80	259	263	117.30	210.40
		104.90	264	267	118.60	213.60
		106.00	268	272	119.80	217.60
		107.00	273	277	121.00	221.60
		108.10	278	281	122.20	224.80
		109.20	282	286	123.40	228.80
		110.30	287	291	124.70	232.80
		111.30	292	295	125.80	236.00
		112.40	296	300	127.10	240.00
		113.50	301	305	128.30	244.00
		114.50	306	309	129.40	247.20
		115.60	310	314	130.70	251.20
		116.70	315	319	131.90	255.20
		117.70	320	323	133.00	259.00
		118.80	324	328	134.30	262.40
		119.90	329	333	135.50	266.40
		121.00	334	337	136.80	269.60
		122.00	338	342	137.90	273.60
		123.10	343	347	139.10	277.60
		124.20	348	351	140.40	280.80
		125.20	352	356	141.50	284.80
		126.30	357	361	142.80	288.80
		127.40	362	365	144.00	292.00
		128.40	366	370	145.10	296.00
		129.50	371	375	146.40	300.00
		130.60	376	379	147.60	303.20
		131.70	380	384	148.90	307.20
		132.70	385	389	150.00	311.20
		133.80	390	393	151.20	314.40
		134.90	394	398	152.50	318.40
		135.90	399	403	153.60	322.40
		137.00	404	407	154.90	326.60
		138.00	408	412	156.00	329.60
		139.00	413	417	157.10	333.60
		140.00	418	421	158.20	336.80
		141.00	422	426	159.40	340.80
		142.00	427	431	160.50	344.80
		143.00	432	436	161.60	348.80
		144.00	437	440	162.80	350.40
		145.00	441	445	163.90	352.40
		146.00	446	450	165.00	354.40
		147.00	451	454	166.20	356.00
		148.00	455	459	167.30	358.00
		149.00	460	464	168.40	360.00
		150.00	465	468	169.50	361.60
		151.00	469	473	170.70	363.60

"TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS--Continued

"I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1965 Act)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is--		Or his primary insurance amount (as determined under subsec. (c)) is--	Or his average monthly wage (as determined under subsec. (b)) is--		The amount referred to in the preceding paragraphs of this subsection shall be--	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be--
At least--	But not more than--		At least--	But not more than--		
		\$152.00	\$474	\$478	\$171.80	\$365.60
		153.00	479	482	172.90	367.20
		154.00	483	487	174.10	369.20
		155.00	488	492	175.20	371.20
		156.00	493	496	176.30	372.80
		157.00	497	501	177.50	374.80
		158.00	502	506	178.60	376.80
		159.00	507	510	179.70	378.40
		160.00	511	515	180.80	380.40
		161.00	516	520	182.00	382.40
		162.00	521	524	183.10	384.00
		163.00	525	529	184.20	386.00
		164.00	530	534	185.40	388.00
		165.00	535	538	186.50	389.60
		166.00	539	543	187.60	391.60
		167.00	544	548	188.80	393.60
		168.00	549	553	189.90	395.60
			554	556	191.00	396.80
			557	560	192.00	398.40
			561	563	193.00	399.60
			564	567	194.00	401.20
			568	570	195.00	402.40
			571	574	196.00	404.00
			575	577	197.00	405.20
			578	581	198.00	406.80
			582	584	199.00	408.00
			585	588	200.00	409.60
			589	591	201.00	410.80
			592	595	202.00	412.40
			596	598	203.00	413.60
			599	602	204.00	415.20
			603	605	205.00	416.40
			606	609	206.00	418.00
			610	612	207.00	419.20
			613	616	208.00	420.80
			617	620	209.00	422.40
			621	623	210.00	423.60
			624	627	211.00	425.20
			628	630	212.00	426.40
			631	634	213.00	428.00
			635	637	214.00	429.20
			638	641	215.00	430.80
			642	644	216.00	432.00
			645	648	217.00	433.60
			649	650	218.00	434.40".

(b) Section 203(a) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) when two or more persons were entitled (without the application of section 202(j)(1) and section 223(b)) to monthly benefits under section 202 or 223 for the month of February 1968 on the basis of the wages and self-employment income of such insured individual, such total of benefits for such month or any subsequent month shall not be reduced to less than the larger of--

"(A) the amount determined under this subsection without regard to this paragraph, or

"(B) an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to February 1968, for each such person for February 1968, by 113 percent and

79 Stat. 363.
42 USC 403.

42 USC 402,
423.

42 USC 422;
Post, pp. 830-
832.

raising each such increased amount, if it is not a multiple of \$0.10, to the next higher multiple of \$0.10;

but in any such case (i) paragraph (1) of this subsection shall not be applied to such total of benefits after the application of subparagraph (B), and (ii) if section 202(k)(2)(A) was applicable in the case of any such benefits for the month of February 1968, and ceases to apply after such month, the provisions of subparagraph (B) shall be applied, for and after the month in which section 202(k)(2)(A) ceases to apply, as though paragraph (1) had not been applicable to such total of benefits for February 1968, or".

42 USC 403.

(c) (1) Section 215(b)(4) of such Act is amended to read as follows:

79 Stat. 364.
42 USC 415.

"(4) The provisions of this subsection shall be applicable only in the case of an individual —

"(A) who becomes entitled, after January 1968, to benefits under section 202(a) or section 223; or

42 USC 402,
423.

"(B) who dies after January 1968 without being entitled to benefits under section 202(a) or section 223; or

"(C) whose primary insurance amount is required to be recomputed under subsection (f) (2)."

Post. p. 865.

(2) Section 215(b)(5) of such Act is repealed.

Repeal.
79 Stat. 364.
42 USC 415.
79 Stat. 363.

(d) Section 215(c) of such Act is amended to read as follows:

"Primary Insurance Amount Under 1965 Act

"(c) (1) For the purposes of column II of the table appearing in subsection (a) of this section, an individual's primary insurance amount shall be computed on the basis of the law in effect prior to the enactment of the Social Security Amendments of 1967.

Ante. p. 824.

"(2) The provisions of this subsection shall be applicable only in the case of an individual who became entitled to benefits under section 202(a) or section 223 before the month of February 1968, or who died before such month."

(e) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after January 1968 and with respect to lump-sum death payments under such title in the case of deaths occurring after January 1968.

42 USC 401-
428; Post. p. 833.

(f) If an individual was entitled to a disability insurance benefit under section 223 of the Social Security Act for the month of January 1968 and became entitled to old-age insurance benefits under section 202(a) of such Act for the month of February 1968, or who died in such month, then, for purposes of section 215(a)(4) of the Social Security Act (if applicable) the amount in column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215(c) of such Act) instead of the amount in column IV equal to the primary insurance amount on which his disability insurance benefit is based.

Ante. p. 824.

Supra.

INCREASE IN BENEFITS FOR CERTAIN INDIVIDUALS AGE 72 AND OVER

SEC. 102. (a) (1) Section 227(a) of the Social Security Act is amended by striking out "\$35" and inserting in lieu thereof "\$40", and by striking out "\$17.50" and inserting in lieu thereof "\$20".

79 Stat. 379.
42 USC 427.

(2) Section 227(b) of such Act is amended by striking out in the second sentence "\$35" and inserting in lieu thereof "\$40".

(b) (1) Section 228 (b) (1) of such Act is amended by striking out "\$35" and inserting in lieu thereof "\$40".

80 Stat. 67.
42 USC 428.

80 Stat. 68.
42 USC 428.

(2) Section 228(b)(2) of such Act is amended by striking out "\$35" and inserting in lieu thereof "\$40", and by striking out "\$17.50" and inserting in lieu thereof "\$20".

(3) Section 228(c)(2) of such Act is amended by striking out "\$17.50" and inserting in lieu thereof "\$20".

(4) Section 228(c)(3)(A) of such Act is amended by striking out "\$35" and inserting in lieu thereof "\$40".

(5) Section 228(c)(3)(B) of such Act is amended by striking out "\$17.50" and inserting in lieu thereof "\$20".

(c) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under title II of the Social Security Act for months after January 1968.

42 USC 401-
428; Post, p. 833.

MAXIMUM AMOUNT OF A WIFE'S OR HUSBAND'S INSURANCE BENEFIT

79 Stat. 375.
42 USC 402.

SEC. 103. (a) Section 202(b)(2) of the Social Security Act is amended to read as follows:

Post, pp. 830-
832.

"(2) Except as provided in subsection (q), such wife's insurance benefit for each month shall be equal to whichever of the following is the smaller: (A) one-half of the primary insurance amount of her husband (or, in the case of a divorced wife, her former husband) for such month, or (B) \$105."

64 Stat. 483;
72 Stat. 1026.

(b) Section 202(c)(3) of such Act is amended to read as follows: "(3) Except as provided in subsection (q), such husband's insurance benefit for each month shall be equal to whichever of the following is the smaller: (A) one-half of the primary insurance amount of his wife for such month, or (B) \$105."

79 Stat. 403.

(c) Section 202(e)(4) of such Act is amended by striking out "50 per centum of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based" and inserting in lieu thereof "whichever of the following is the smaller: (A) one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based, or (B) \$105".

79 Stat. 404.

(d) Section 202(f)(5) of such Act is amended by striking out "50 per centum of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based" and inserting in lieu thereof "whichever of the following is the smaller: (A) one-half of the primary insurance amount of the deceased individual on whose wages and self-employment income such benefit is based, or (B) \$105".

(e) The amendments made by subsections (a), (b), (c), and (d) shall apply with respect to monthly benefits under title II of the Social Security Act for months after January 1968.

BENEFITS TO DISABLED WIDOWS AND WIDOWERS

79 Stat. 373,
376.

SEC. 104. (a)(1) Subparagraph (B) of section 202(e)(1) of the Social Security Act is amended to read as follows:

"(B) (i) has attained age 60, or (ii) has attained age 50 but has not attained age 60 and is under a disability (as defined in section 223(d)) which began before the end of the period specified in paragraph (5)."

Post, p. 868.
Post, p. 829.

(2) So much of section 202(e)(1) of such Act as follows subparagraph (E) is amended to read as follows:

"shall be entitled to a widow's insurance benefit for each month, beginning with—

Supra.

"(F) if she satisfies subparagraph (B) by reason of clause (i) thereof, the first month in which she becomes so entitled to such insurance benefits, or

“(G) if she satisfies subparagraph (B) by reason of clause (ii) thereof—

“(i) the first month after her waiting period (as defined in paragraph (6)) in which she becomes so entitled to such insurance benefits, or

Infra.

“(ii) the first month during all of which she is under a disability and in which she becomes so entitled to such insurance benefits, but only if she was previously entitled to insurance benefits under this subsection on the basis of being under a disability and such first month occurs (I) in the period specified in paragraph (5) and (II) after the month in which a previous entitlement to such benefits on such basis terminated,

Infra.

and ending with the month preceding the first month in which any of the following occurs: she remarries, dies, becomes entitled to an old-age insurance benefit equal to or exceeding 82½ percent of the primary insurance amount of such deceased individual, or, if she became entitled to such benefits before she attained age 60, the third month following the month in which her disability ceases (unless she attains age 62 on or before the last day of such third month).”

(3) Section 202(e) of such Act is further amended by adding after paragraph (4) the following new paragraphs:

79 Stat. 403.
42 USC 402.

“(5) The period referred to in paragraph (1)(B)(ii), in the case of any widow or surviving divorced wife, is the period beginning with whichever of the following is the latest:

Ante, p. 828.

“(A) the month in which occurred the death of the fully insured individual referred to in paragraph (1) on whose wages and self-employment income her benefits are or would be based, or

“(B) the last month for which she was entitled to mother’s insurance benefits on the basis of the wages and self-employment income of such individual, or

“(C) the month in which a previous entitlement to widow’s insurance benefits on the basis of such wages and self-employment income terminated because her disability had ceased,

and ending with the month before the month in which she attains age 60, or, if earlier, with the close of the eighty-fourth month following the month with which such period began.

“(6) The waiting period referred to in paragraph (1)(G), in the case of any widow or surviving divorced wife, is the earliest period of six consecutive calendar months—

Supra.

“(A) throughout which she has been under a disability, and

“(B) which begins not earlier than with whichever of the following is the later: (i) the first day of the eighteenth month before the month in which her application is filed, or (ii) the first day of the sixth month before the month in which the period specified in paragraph (5) begins.”

(b)(1) Subparagraph (B) of section 202(f)(1) of such Act is amended to read as follows:

64 Stat. 485;
75 Stat. 131.

“(B) (i) has attained age 62, or (ii) has attained age 50 but has not attained age 62 and is under a disability (as defined in section 223(d)) which began before the end of the period specified in paragraph (6).”

Post, p. 868.

Post, p. 830.

(2) So much of section 202(f)(1) of such Act as follows subparagraph (E) is amended to read as follows:

64 Stat. 485;
71 Stat. 519.

“shall be entitled to a widower’s insurance benefit for each month, beginning with—

“(F) if he satisfies subparagraph (B) by reason of clause (i) thereof, the first month in which he becomes so entitled to such insurance benefits, or

Supra.

“(G) if he satisfies subparagraph (B) by reason of clause (ii) thereof—

Infra.

“(i) the first month after his waiting period (as defined in paragraph (7)) in which he becomes so entitled to such insurance benefits, or

“(ii) the first month during all of which he is under a disability and in which he becomes so entitled to such insurance benefits, but only if he was previously entitled to insurance benefits under this subsection on the basis of being under a disability and such first month occurs (I) in the period specified in paragraph (6) and (II) after the month in which a previous entitlement to such benefits on such basis terminated,

Infra.

and ending with the month preceding the first month in which any of the following occurs: he remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding 82½ percent of the primary insurance amount of his deceased wife, or the third month following the month in which his disability ceases (unless he attains age 62 on or before the last day of such third month).”

75 Stat. 138;
79 Stat. 404.
42 USC 402.

(3) Section 202(f)(3) of such Act is amended by inserting “subsection (q) and” after “provided in”.

(4) Section 202(f) of such Act is further amended by adding after paragraph (5) the following new paragraphs:

79 Stat. 404.
Ante, p. 829.

“(6) The period referred to in paragraph (1)(B)(ii), in the case of any widower, is the period beginning with whichever of the following is the latest:

“(A) the month in which occurred the death of the fully insured individual referred to in paragraph (1) on whose wages and self-employment income his benefits are or would be based, or

“(B) the month in which a previous entitlement to widower’s insurance benefits on the basis of such wages and self-employment income terminated because his disability had ceased,

and ending with the month before the month in which he attains age 62, or, if earlier, with the close of the eighty-fourth month following the month with which such period began.

Ante, p. 829.

“(7) The waiting period referred to in paragraph (1)(G), in the case of any widower, is the earliest period of six consecutive calendar months—

“(A) throughout which he has been under a disability, and

“(B) which begins not earlier than with whichever of the following is the later: (i) the first day of the eighteenth month before the month in which his application is filed, or (ii) the first day of the sixth month before the month in which the period specified in paragraph (6) begins.”

Supra.
79 Stat. 368.

(c)(1) The heading of section 202(q) of such Act is amended to read as follows:

“Reduction of Benefit Amounts for Certain Beneficiaries”

(2) So much of section 202(q)(1) of such Act as precedes subparagraph (A) is amended by striking out “or widow’s” and inserting in lieu thereof “widow’s, or widower’s”.

79 Stat. 374.

(3) Subparagraph (A) of section 202(q)(1) of such Act is amended by striking out “or widow’s” and inserting in lieu thereof “, widow’s, or widower’s”.

(4) Section 202(q)(1) of such Act is amended by adding at the end thereof the following:

“A widow’s or widower’s insurance benefit reduced pursuant to the preceding sentence shall be further reduced by—

“(C) 43/198 of 1 percent of the amount of such benefit, multiplied by

“(D) (i) the number of months in the additional reduction period for such benefit (determined under paragraph (6)), if such

Post, p. 831.

benefit is for a month before the month in which such individual attains retirement age, or

“(ii) the number of months in the additional adjusted reduction period for such benefit (determined under paragraph (7)), if such benefit is for the month in which such individual attains retirement age or for any month thereafter.”

Post, p. 832.

(5) Section 202(q) (3) (A) of such Act is amended—

75 Stat. 132;
79 Stat. 368, 374.
42 USC 402.

(A) by striking out “or widow’s” each place it appears and inserting in lieu thereof “widow’s, or widower’s”;

(B) by striking out “a widow’s” and inserting in lieu thereof “a widow’s or widower’s”; and

(C) by striking out “60” and inserting in lieu thereof “50”.

(6) Section 202(q) (3) (C) of such Act is amended by striking out “or widow’s” each time it appears and inserting in lieu thereof “widow’s, or widower’s”.

79 Stat. 369.

(7) Section 202(q) (3) (D) of such Act is amended by striking out “or widow’s” and inserting in lieu thereof “widow’s, or widower’s”.

75 Stat. 132;
79 Stat. 368, 374

(8) Section 202(q) (3) (E) of such Act is amended—

79 Stat. 374.

(A) by striking out “(or would, but for subsection (e) (1), be)” and inserting in lieu thereof “(or would, but for subsection (e) (1) in the case of a widow or surviving divorced wife or subsection (f) (1) in the case of a widower, be)”;

(B) by striking out “widow’s” each place it appears and inserting in lieu thereof “widow’s or widower’s”; and

(C) by striking out “she” and inserting in lieu thereof “she or he”.

(9) Section 202(q) (3) (F) of such Act is amended—

(A) by striking out “(or would, but for subsection (e) (1), be)” and inserting in lieu thereof “(or would, but for subsection (e) (1) in the case of a widow or surviving divorced wife or subsection (f) (1) in the case of a widower, be)”;

(B) by striking out “widow’s” each place it appears and inserting in lieu thereof “widow’s or widower’s”; and

(C) by striking out “she” and inserting in lieu thereof “she or he”.

(10) Section 202(q) (3) (G) of such Act is amended—

(A) by striking out “(or would, but for subsection (e) (1), be)” and inserting in lieu thereof “(or would, but for subsection (e) (1) in the case of a widow or surviving divorced wife or subsection (f) (1) in the case of a widower, be)”;

(B) by striking out “widow’s” and inserting in lieu thereof “widow’s or widower’s”; and

(C) by striking out “he” and inserting in lieu thereof “she or he”.

(11) Section 202(q) (6) of such Act is amended to read as follows:
“(6) For the purposes of this subsection—

75 Stat. 138;
79 Stat. 368.

“(A) the ‘reduction period’ for an individual’s old-age, wife’s, husband’s, widow’s, or widower’s insurance benefit is the period—

“Reduction period.”

“(i) beginning—

“(I) in the case of an old-age or husband’s insurance benefit, with the first day of the first month for which such individual is entitled to such benefit, or

“(II) in the case of a wife’s insurance benefit, with the first day of the first month for which a certificate described in paragraph (5) (A) (i) is effective, or

“(III) in the case of a widow’s or widower’s insurance benefit, with the first day of the first month for which such individual is entitled to such benefit or the

first day of the month in which such individual attains age 60, whichever is the later, and

“(ii) ending with the last day of the month before the month in which such individual attains retirement age; and
“(B) the ‘additional reduction period’ for an individual’s widow’s or widower’s insurance benefit is the period—

“(i) beginning with the first day of the first month for which such individual is entitled to such benefit, but only if such individual has not attained age 60 in such first month, and

“(ii) ending with the last day of the month before the month in which such individual attains age 60.”

(12) Section 202(q)(7) of such Act is amended—

(A) by inserting “or ‘additional adjusted reduction period’” after “the ‘adjusted reduction period’”;

(B) by striking out “or widow’s” and inserting in lieu thereof “widow’s, or widower’s”;

(C) by inserting “or additional reduction period (as the case may be)” after “the reduction period”; and

(D) by striking out “widow’s” in subparagraph (E) and inserting in lieu thereof “widow’s or widower’s”, by striking out “she” each place it appears in such subparagraph and inserting in lieu thereof “she or he”, and by striking out “her” in such subparagraph and inserting in lieu thereof “her or his”.

(13) Section 202(q)(9) of such Act is amended by striking out “widow’s” and inserting in lieu thereof “widow’s or widower’s”.

(d)(1)(A) The third sentence of section 203(c) of such Act is amended by striking out “or any subsequent month” and inserting in lieu thereof “or any subsequent month; nor shall any deduction be made under this subsection from any widow’s insurance benefit for any month in which the widow or surviving divorced wife is entitled and has not attained age 62 (but only if she became so entitled prior to attaining age 60), or from any widower’s insurance benefit for any month in which the widower is entitled and has not attained age 62”.

(B) The third sentence of section 203(f)(1) of such Act is amended by striking out “or (D)” and inserting in lieu thereof the following: “(D) for which such individual is entitled to widow’s insurance benefits and has not attained age 62 (but only if she became so entitled prior to attaining age 60) or widower’s insurance benefits and has not attained age 62, or (E)”.

(C) Section 203(f)(2) of such Act is amended by striking out “and (D)” and inserting in lieu thereof “(D), and (E)”.

(D) Section 203(f)(4) of such Act is amended by striking out “(D)” and inserting in lieu thereof “(E)”.

(2) Section 216(i)(1) of such Act is amended by inserting “202(e), 202(f),” after “202(d),”.

(3)(A) Section 222(a) of such Act is amended by inserting “widow’s insurance benefits, or widower’s insurance benefits,” after “benefits,”.

(B) Section 222(b)(1) of such Act is amended by striking out “child’s insurance benefits or if” and inserting in lieu thereof “child’s insurance benefits, a widow or surviving divorced wife who has not attained age 60, a widower who has not attained age 62, or”.

(4)(A) Section 222(d)(1) of such Act is amended by inserting “or” at the end of subparagraph (B), and by inserting after such subparagraph the following new subparagraphs:

“(C) entitled to widow’s insurance benefits under section 202(e) prior to attaining age 60, or

“Additional reduction period.”

75 Stat. 133;
79 Stat. 368, 375.
42 USC 402.

79 Stat. 375.

74 Stat. 954.
42 USC 403.

74 Stat. 955.

68 Stat. 1080;
70 Stat. 818.
42 USC 416.
70 Stat. 817.
42 USC 422.

70 Stat. 817;
72 Stat. 1032.

79 Stat. 408.

42 USC 402.

“(D) entitled to widower’s insurance benefits under section 202(f) prior to attaining age 62.”

(B) Section 222(d)(1) of such Act is further amended by striking out “who have attained age 18 and are under a disability,” in the first sentence and inserting in lieu thereof the following: “who have attained age 18 and are under a disability, the benefits under section 202(e) for widows and surviving divorced wives who have not attained age 60 and are under a disability, the benefits under section 202(f) for widowers who have not attained age 62.”

42 USC 402.
79 Stat. 408.
42 USC 422.

(5)(A) The first sentence of section 225 of such Act is amended by inserting after “under section 202(d),” the following: “or that a widow or surviving divorced wife who has not attained age 60 and is entitled to benefits under section 202(e), or that a widower who has not attained age 62 and is entitled to benefits under section 202(f).”

70 Stat. 817.
42 USC 425.

(B) The first sentence of section 225 of such Act is further amended by striking out “223 or 202(d)” and inserting in lieu thereof “202(d), 202(e), 202(f), or 223”.

(e) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for and after the month of February 1968, but only on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

INSURED STATUS FOR YOUNGER DISABLED WORKERS

SEC. 105. (a) Subparagraph (B)(ii) of section 216(i)(3) of the Social Security Act is amended by striking out “and he is under a disability by reason of blindness (as defined in paragraph (1))”.

79 Stat. 412.
42 USC 416.

(b) Subparagraph (B)(ii) of section 223(c)(1) of such Act is amended by striking out “before he attains” and inserting in lieu thereof “before the quarter in which he attains”, and by striking out “and he is under a disability by reason of blindness (as defined in section 216(i)(1))”.

79 Stat. 413.
42 USC 423.

(c) The amendment made by subsection (a) shall apply only with respect to applications for disability determinations filed under section 216(i) of the Social Security Act in or after the month in which this Act is enacted. The amendments made by subsection (b) shall apply with respect to monthly benefits under title II of such Act for months after January 1968, but only on the basis of applications for such benefits filed in or after the month in which this Act is enacted.

BENEFITS IN CASE OF MEMBERS OF THE UNIFORMED SERVICES

SEC. 106. Title II of the Social Security Act is amended by adding at the end thereof the following new section:

53 Stat. 1362;
80 Stat. 67.
42 USC 401-428.

“BENEFITS IN CASE OF MEMBERS OF THE UNIFORMED SERVICES

“SEC. 229. (a) For purposes of determining entitlement to and the amount of any monthly benefit for any month after December 1967, or entitlement to and the amount of any lump-sum death payment in case of a death after such month, payable under this title on the basis of the wages and self-employment income of any individual, and for purposes of section 216(i)(3), such individual shall be deemed to have been paid, in each calendar quarter occurring after 1967 in which he was paid wages for service as a member of a uniformed service (as defined in section 210(m)) which was included in the term ‘employment’ as defined in section 210(a) as a result of the provisions of sec-

tion 210(1), wages (in addition to the wages actually paid to him for such service) of—

“(1) \$100 if the wages actually paid to him in such quarter for such services were \$100 or less,

“(2) \$200 if the wages actually paid to him in such quarter for such services were more than \$100 but not more than \$200, or

“(3) \$300 in any other case.

“(b) There are authorized to be appropriated to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund annually, as benefits under this title and part A of title XVIII are paid after December 1967, such sums as the Secretary determines to be necessary to meet (1) the additional costs, resulting from subsection (a), of such benefits (including lump-sum death payments), (2) the additional administrative expenses resulting therefrom, and (3) any loss in interest to such trust funds resulting from the payment of such amounts. Such additional costs shall be determined after any increases in such benefits arising from the application of section 217 have been made.”

42 USC 401 et
seq., 1395c-1395l.

LIBERALIZATION OF EARNINGS TEST

79 Stat. 380.
42 USC 403.

SEC. 107. (a) (1) Paragraphs (1), (3), and (4) (B) of section 203(f) of the Social Security Act are each amended by striking out “\$125” and inserting in lieu thereof “\$140”.

(2) Paragraph (1) (A) of section 203(h) of such Act is amended by striking out “\$125” and inserting in lieu thereof “\$140”.

(b) The amendments made by subsection (a) shall apply with respect to taxable years ending after December 1967.

INCREASE OF EARNINGS COUNTED FOR BENEFIT AND TAX PURPOSES

79 Stat. 393.
42 USC 409.
68 Stat. 1078;
79 Stat. 383.

SEC. 108. (a) (1) (A) Section 209(a) (4) of the Social Security Act is amended by inserting “and prior to 1968” after “1965”.

(B) Section 209(a) of such Act is further amended by adding at the end thereof the following new paragraph:

“(5) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to \$7,800 with respect to employment has been paid to an individual during any calendar year after 1967, is paid to such individual during such calendar year;”

79 Stat. 393.
42 USC 411.

(2) (A) Section 211(b) (1) (D) of such Act is amended by inserting “and prior to 1968” after “1965”, and by striking out “; or” and inserting in lieu thereof “; and”.

72 Stat. 1019.

(B) Section 211(b) (1) of such Act is further amended by adding at the end thereof the following new subparagraph:

“(E) For any taxable year ending after 1967, (i) \$7,800, minus (ii) the amount of the wages paid to such individual during the taxable year; or”.

79 Stat. 393.

(3) (A) Section 213(a) (2) (ii) of such Act is amended by striking out “after 1965” and inserting in lieu thereof “after 1965 and before 1968, or \$7,800 in the case of a calendar year after 1967”.

(B) Section 213(a) (2) (iii) of such Act is amended by striking out “after 1965” and inserting in lieu thereof “after 1965 and before 1968, or \$7,800 in the case of a taxable year ending after 1967”.

79 Stat. 393.
42 USC 415.

(4) Section 215(e) (1) of such Act is amended by striking out “and the excess over \$6,600 in the case of any calendar year after 1965” and inserting in lieu thereof “the excess over \$6,600 in the case of any calendar year after 1965 and before 1968, and the excess over \$7,800 in the case of any calendar year after 1967”.

(b) (1) (A) Section 1402(b) (1) (D) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by inserting "and before 1968" after "1965", and by striking out "; or" and inserting in lieu thereof "; and".

79 Stat. 393.

(B) Section 1402(b) (1) of such Code is further amended by adding at the end thereof the following new subparagraph:

68 Stat. 1088;
79 Stat. 393.

"(E) for any taxable year ending after 1967, (i) \$7,800, minus (ii) the amount of the wages paid to such individual during the taxable year; or".

(2) Section 3121(a) (1) of such Code (relating to definition of wages) is amended by striking out "\$6,600" each place it appears and inserting in lieu thereof "\$7,800".

79 Stat. 393.

(3) The second sentence of section 3122 of such Code (relating to Federal service) is amended by striking out "\$6,600" and inserting in lieu thereof "\$7,800".

(4) Section 3125 of such Code (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) is amended by striking out "\$6,600" each place it appears and inserting in lieu thereof "\$7,800".

(5) Section 6413 (c) (1) of such Code (relating to special refunds of employment taxes) is amended—

79 Stat. 393,
394.

(A) by inserting "and prior to the calendar year 1968" after "the calendar year 1965";

(B) by inserting after "exceed \$6,600," the following: "or (D) during any calendar year after the calendar year 1967, the wages received by him during such year exceed \$7,800,"; and

(C) by inserting before the period at the end thereof the following: "and before 1968, or which exceeds the tax with respect to the first \$7,800 of such wages received in such calendar year after 1967".

(6) Section 6413(c) (2) (A) of such Code (relating to refunds of employment taxes in the case of Federal employees) is amended by striking out "or \$6,600 for any calendar year after 1965" and inserting in lieu thereof "\$6,600 for the calendar year 1966 or 1967, or \$7,800 for any calendar year after 1967".

(c) The amendments made by subsections (a) (1) and (a) (3) (A), and the amendments made by subsection (b) (except paragraph (1) thereof), shall apply only with respect to remuneration paid after December 1967. The amendments made by subsections (a) (2), (a) (3) (B), and (b) (1) shall apply only with respect to taxable years ending after 1967. The amendment made by subsection (a) (4) shall apply only with respect to calendar years after 1967.

CHANGES IN TAX SCHEDULES

SEC. 109. (a) (1) Section 1401(a) of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

79 Stat. 394.

"(1) in the case of any taxable year beginning after December 31, 1967, and before January 1, 1969, the tax shall be equal to 5.8 percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1968, and before January 1, 1971, the tax shall be equal to 6.3 percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1970, and before January 1, 1973, the tax shall be equal to

6.9 percent of the amount of the self-employment income for such taxable year; and

“(4) in the case of any taxable year beginning after December 31, 1972, the tax shall be equal to 7.0 percent of the amount of the self-employment income for such taxable year.”

79 Stat. 395.

(2) Section 3101(a) of such Code (relating to rate of tax on employees for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

“(1) with respect to wages received during the calendar year 1968, the rate shall be 3.8 percent;

“(2) with respect to wages received during the calendar years 1969 and 1970, the rate shall be 4.2 percent;

“(3) with respect to wages received during the calendar years 1971 and 1972, the rate shall be 4.6 percent; and

“(4) with respect to wages received after December 31, 1972, the rate shall be 5.0 percent.”

79 Stat. 396.

(3) Section 3111(a) of such Code (relating to rate of tax on employers for purposes of old-age, survivors, and disability insurance) is amended by striking out paragraphs (1), (2), (3), and (4) and inserting in lieu thereof the following:

“(1) with respect to wages paid during the calendar year 1968, the rate shall be 3.8 percent;

“(2) with respect to wages paid during the calendar years 1969 and 1970, the rate shall be 4.2 percent;

“(3) with respect to wages paid during the calendar years 1971 and 1972, the rate shall be 4.6 percent; and

“(4) with respect to wages paid after December 31, 1972, the rate shall be 5.0 percent.”

79 Stat. 394.

(b) (1) Section 1401(b) of such Code (relating to rate of tax on self-employment income for purposes of hospital insurance) is amended by striking out paragraphs (1) through (6) and inserting in lieu thereof the following:

“(1) in the case of any taxable year beginning after December 31, 1967, and before January 1, 1973, the tax shall be equal to 0.60 percent of the amount of the self-employment income for such taxable year;

“(2) in the case of any taxable year beginning after December 31, 1972, and before January 1, 1976, the tax shall be equal to 0.65 percent of the amount of the self-employment income for such taxable year;

“(3) in the case of any taxable year beginning after December 31, 1975, and before January 1, 1980, the tax shall be equal to 0.70 percent of the amount of the self-employment income for such taxable year;

“(4) in the case of any taxable year beginning after December 31, 1979, and before January 1, 1987, the tax shall be equal to 0.80 percent of the amount of the self-employment income for such taxable year; and

“(5) in the case of any taxable year beginning after December 31, 1986, the tax shall be equal to 0.90 percent of the amount of the self-employment income for such taxable year.”

79 Stat. 395.

(2) Section 3101(b) of such Code (relating to rate of tax on employees for purposes of hospital insurance) is amended by striking out paragraphs (1) through (6) and inserting in lieu thereof the following:

“(1) with respect to wages received during the calendar years 1968, 1969, 1970, 1971, and 1972, the rate shall be 0.60 percent;

“(2) with respect to wages received during the calendar years 1973, 1974, and 1975, the rate shall be 0.65 percent;

“(3) with respect to wages received during the calendar years 1976, 1977, 1978, and 1979, the rate shall be 0.70 percent;

“(4) with respect to wages received during the calendar years 1980, 1981, 1982, 1983, 1984, 1985, and 1986, the rate shall be 0.80 percent; and

“(5) with respect to wages received after December 31, 1986, the rate shall be 0.90 percent.”

(3) Section 3111(b) of such Code (relating to rate of tax on employers for purposes of hospital insurance) is amended by striking out paragraphs (1) through (6) and inserting in lieu thereof the following:

79 Stat. 396.

“(1) with respect to wages paid during the calendar years 1968, 1969, 1970, 1971, and 1972, the rate shall be 0.60 percent;

“(2) with respect to wages paid during the calendar years 1973, 1974, and 1975, the rate shall be 0.65 percent;

“(3) with respect to wages paid during the calendar years 1976, 1977, 1978, and 1979, the rate shall be 0.70 percent;

“(4) with respect to wages paid during the calendar years 1980, 1981, 1982, 1983, 1984, 1985, and 1986, the rate shall be 0.80 percent; and

“(5) with respect to wages paid after December 31, 1986, the rate shall be 0.90 percent.”

(c) The amendments made by subsections (a)(1) and (b)(1) shall apply only with respect to taxable years beginning after December 31, 1967. The remaining amendments made by this section shall apply only with respect to remuneration paid after December 31, 1967.

ALLOCATION TO DISABILITY INSURANCE TRUST FUND

SEC. 110. (a) Section 201(b)(1) of the Social Security Act is amended—

70 Stat. 819;
79 Stat. 370.
42 USC 401.

(1) by inserting “(A)” after “(1)”;

(2) by striking out “1954, and” and inserting in lieu thereof “1954, (B)”;

(3) by inserting “and before January 1, 1968,” after “December 31, 1965,”; and

(4) by inserting after “so reported,” the following: “and (C) 0.95 of 1 per centum of the wages (as so defined) paid after December 31, 1967, and so reported.”

(b) Section 201(b)(2) of such Act is amended—

(1) by inserting “(A)” after “(2)”;

(2) by striking out “1966, and” and inserting in lieu thereof “1966, (B)”;

(3) by inserting after “December 31, 1965,” the following: “and before January 1, 1968, and (C) 0.7125 of 1 per centum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1967.”

EXTENSION OF TIME FOR FILING APPLICATION FOR DISABILITY FREEZE WHERE FAILURE TO MAKE TIMELY APPLICATION IS DUE TO INCOMPETENCY

SEC. 111. (a) Section 216(i)(2) of the Social Security Act is amended (1) by striking out “No” in subparagraph (E) and inserting in lieu thereof “Except as is otherwise provided in subparagraph (F), no”, (2) by redesignating subparagraph (F) as subparagraph (G), and (3) by adding after subparagraph (E) the following new subparagraph:

79 Stat. 367,
400.
42 USC 416.

“(F) An application for a disability determination which is filed more than 12 months after the month prescribed by subparagraph (D) as the month in which the period of disability ends (determined without regard to subparagraphs (B) and (E)) shall be accepted as an application for purposes of this paragraph if—

79 Stat. 367.
42 USC 416.

Ante, p. 821.

“(i) in the case of an application filed by or on behalf of an individual with respect to a disability which ends after the month in which the Social Security Amendments of 1967 is enacted, such application is filed not more than 36 months after the month in which such disability ended, such individual is alive at the time the application is filed, and the Secretary finds in accordance with regulations prescribed by him that the failure of such individual to file an application for a disability determination within the time specified in subparagraph (E) was attributable to a physical or mental condition of such individual which rendered him incapable of executing such an application, and

“(ii) in the case of an application filed by or on behalf of an individual with respect to a period of disability which ends in or before the month in which the Social Security Amendments of 1967 is enacted,

“(I) such application is filed not more than 12 months after the month in which the Social Security Amendments of 1967 is enacted,

“(II) a previous application for a disability determination has been filed by or on behalf of such individual (1) in or before the month in which the Social Security Amendments of 1967 is enacted, and (2) not more than 36 months after the month in which his disability ended, and

“(III) the Secretary finds in accordance with regulations prescribed by him, that the failure of such individual to file an application within the then specified time period was attributable to a physical or mental condition of such individual which rendered him incapable of executing such an application.

In making a determination under this subsection, with respect to the disability or period of disability of any individual whose application for a determination thereof is accepted solely by reason of the provisions of this subparagraph (F), the provisions of this subsection (other than the provisions of this subparagraph) shall be applied as such provisions are in effect at the time such determination is made.”

(b) No monthly insurance benefits under title II of the Social Security Act shall be payable or increased for any month before the month in which this Act is enacted by reason of amendments made by subsection (a).

42 USC 401-
428; Ante, p. 833.

BENEFITS FOR CERTAIN ADOPTED CHILDREN

SEC. 112. (a) Section 202(d)(8) of the Social Security Act (as redesignated by section 151(c) of this Act) is amended—

79 Stat. 397.
42 USC 402.

(1) by striking out the period at the end of subparagraph (D), and inserting in lieu of such period “; or”, and

(2) by adding after and below subparagraph (D) the following new subparagraph:

“(E) was legally adopted by such individual—

“(i) in an adoption which took place under the supervision of a public or private child-placement agency,

“(ii) in an adoption decreed by a court of competent jurisdiction within the United States,

“(iii) on a date immediately preceding which such individual had continuously resided for not less than one year within the United States;

“(iv) at a time prior to the attainment of age 18 by such child.”

(b) The amendments made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after January 1968, but only on the basis of applications filed after the date of enactment of this Act.

42 USC 401-428; *Ante*, p. 833.

PART 2—COVERAGE UNDER THE OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE PROGRAM

COVERAGE OF MINISTERS

SEC. 115. (a) The last sentence of section 211(c) of the Social Security Act is amended to read as follows: “The provisions of paragraph (4) or (5) shall not apply to service (other than service performed by a member of a religious order who has taken a vow of poverty as a member of such order) performed by an individual unless an exemption under section 1402(e) of the Internal Revenue Code of 1954 is effective with respect to him.”

79 Stat. 380.
42 USC 411.

Infra.

(b)(1) The last sentence of section 1402(c) of the Internal Revenue Code of 1954 (relating to definition of trade or business) is amended to read as follows:

79 Stat. 381.

“The provisions of paragraph (4) or (5) shall not apply to service (other than service performed by a member of a religious order who has taken a vow of poverty as a member of such order) performed by an individual unless an exemption under subsection (e) is effective with respect to him.”

(2) Section 1402(e) of such Code (relating to ministers, members of religious orders, and Christian Science practitioners) is amended to read as follows:

68 Stat. 1088.

“(e) **MINISTERS, MEMBERS OF RELIGIOUS ORDERS, AND CHRISTIAN SCIENCE PRACTITIONERS.**—

“(1) **EXEMPTION.**—Any individual who is (A) a duly ordained, commissioned, or licensed minister of a church or a member of a religious order (other than a member of a religious order who has taken a vow of poverty as a member of such order) or (B) a Christian Science practitioner, upon filing an application (in such form and manner, and with such official, as may be prescribed by regulations made under this chapter) together with a statement that either he is conscientiously opposed to, or because of religious principles he is opposed to, the acceptance (with respect to services performed by him as such minister, member, or practitioner) of any public insurance which makes payments in the event of death, disability, old age, or retirement or makes payments toward the cost of, or provides services for, medical care (including the benefits of any insurance system established by the Social Security Act), shall receive an exemption from the tax imposed by this chapter with respect to services performed by him as such minister, member, or practitioner. Notwithstanding the preceding sentence, an exemption may not be granted to an individual under this subsection if he had filed an effective waiver certificate under this section as it was in effect before its amendment in 1967.

26 USC 1401-1403.

42 USC 1305.

“(2) **TIME FOR FILING APPLICATION.**—Any individual who desires to file an application pursuant to paragraph (1) must file such application on or before whichever of the following dates is later: (A) the due date of the return (including any extension thereof) for the second taxable year for which he has net earn-

ings from self-employment (computed without regard to subsections (c) (4) and (c) (5)) of \$400 or more, any part of which was derived from the performance of service described in subsection (c) (4) or (c) (5); or (B) the due date of the return (including any extension thereof) for his second taxable year ending after 1967.

“(3) EFFECTIVE DATE OF EXEMPTION.—An exemption received by an individual pursuant to this subsection shall be effective for the first taxable year for which he has net earnings from self-employment (computed without regard to subsections (c) (4) and (c) (5)) of \$400 or more, any part of which was derived from the performance of service described in subsection (c) (4) or (c) (5), and for all succeeding taxable years. An exemption received pursuant to this subsection shall be irrevocable.”

(c) The amendments made by subsections (a) and (b) shall apply only with respect to taxable years ending after 1967.

COVERAGE OF STATE AND LOCAL EMPLOYEES

SEC. 116. (a) Section 218(d) (6) (D) of the Social Security Act is amended by inserting “(i)” after “(D)”, and by adding at the end thereof the following:

“(ii) Notwithstanding clause (i), the State may, pursuant to subsection (c) (4) (B) and subject to the conditions of continuation or termination of coverage provided for in subsection (c) (7), modify its agreement under this section to include services performed by all individuals described in clause (i) other than those individuals to whose services the agreement already applies. Such individuals shall be deemed (on and after the effective date of the modification) to be in positions covered by the separate retirement system consisting of the positions of members of the division or part who desire coverage under the insurance system established under this title.”

(b) (1) (A) Section 218(c) (3) of such Act is amended by striking out subparagraph (A), and by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively.

(B) Paragraphs (4) and (7) of section 218(c) of such Act, and paragraph (5) (B) of section 218(d) of such Act, are each amended by striking out “paragraph (3) (C)” wherever it appears and inserting in lieu thereof “paragraph (3) (B)”.

(C) Paragraph (4) (C) of section 218(d) of such Act is amended by striking out “subsection (c) (3) (C)” and inserting in lieu thereof “subsection (c) (3) (B)”.

(2) Section 218(c) (6) of such Act is amended—

(A) by striking out “and” at the end of subparagraph (C);

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof “, and”; and

(C) by adding at the end thereof the following new subparagraph:

“(E) service performed by an individual as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood, or other similar emergency.”

(3) The amendments made by this subsection shall be effective with respect to services performed on or after January 1, 1968.

(c) Section 218(c) of such Act is amended by adding at the end thereof the following new paragraph:

“(8) Notwithstanding any other provision of this section, the agreement with any State entered into under this section may at the option of the State be modified on or after January 1, 1968, to exclude service performed by election officials or election workers if the remuneration paid in a calendar quarter for such service is less than \$50.

72 Stat. 1038.
42 USC 418.

68 Stat. 1057.

64 Stat. 515.

68 Stat. 1058.

Any modification of an agreement pursuant to this paragraph shall be effective with respect to services performed after an effective date, specified in such modification, which shall not be earlier than the last day of the calendar quarter in which the modification is mailed or delivered by other means to the Secretary."

(d) The first sentence of section 218(d)(6)(F) of the Social Security Act is amended by striking out "1967" and inserting in lieu thereof "1970".

72 Stat. 1039;
79 Stat. 385.
42 USC 418.

INCLUSION OF ILLINOIS AMONG STATES PERMITTED TO DIVIDE THEIR
RETIREMENT SYSTEMS

SEC. 117. Section 218(d)(6)(C) of the Social Security Act is amended by inserting "Illinois," after "Georgia,".

TAXATION OF CERTAIN EARNINGS OF RETIRED PARTNER

SEC. 118. (a) Section 1402(a) of the Internal Revenue Code of 1954 (relating to definition of net earnings from self-employment) is amended—

68A Stat. 353;
68 Stat. 1087.

- (1) by striking out "and" at the end of paragraph (8);
- (2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and"; and
- (3) by inserting after paragraph (9) the following new paragraph:

"(10) there shall be excluded amounts received by a partner pursuant to a written plan of the partnership, which meets such requirements as are prescribed by the Secretary or his delegate, and which provides for payments on account of retirement, on a periodic basis, to partners generally or to a class or classes of partners, such payments to continue at least until such partner's death, if—

"(A) such partner rendered no services with respect to any trade or business carried on by such partnership (or its successors) during the taxable year of such partnership (or its successors), ending within or with his taxable year, in which such amounts were received, and

"(B) no obligation exists (as of the close of the partnership's taxable year referred to in subparagraph (A)) from the other partners to such partner except with respect to retirement payments under such plan, and

"(C) such partner's share, if any, of the capital of the partnership has been paid to him in full before the close of the partnership's taxable year referred to in subparagraph (A)."

(b) Section 211(a) of the Social Security Act is amended—

- (1) by striking out "and" at the end of paragraph (7);
- (2) by striking out the period at the end of paragraph (8) and inserting in lieu thereof "; and"; and
- (3) by inserting after paragraph (8) the following new paragraph:

"(9) There shall be excluded amounts received by a partner pursuant to a written plan of the partnership, which meets such requirements as are prescribed by the Secretary of the Treasury or his delegate, and which provides for payments on account of retirement, on a periodic basis, to partners generally or to a class or classes of partners, such payments to continue at least until such partner's death, if—

"(A) such partner rendered no services with respect to any trade or business carried on by such partnership (or its

64 Stat. 502;
68 Stat. 1055.
42 USC 411.

successors) during the taxable year of such partnership (or its successors), ending within or with his taxable year, in which such amounts were received, and

“(B) no obligation exists (as of the close of the partnership’s taxable year referred to in subparagraph (A)) from the other partners to such partner except with respect to retirement payments under such plan, and

“(C) such partner’s share, if any, of the capital of the partnership has been paid to him in full before the close of the partnership’s taxable year referred to in subparagraph (A).”

(c) The amendments made by this section shall apply only with respect to taxable years ending on or after December 31, 1967.

INCLUSION OF PUERTO RICO AMONG STATES PERMITTED TO INCLUDE FIREMEN AND POLICEMEN; VALIDATION OF CERTAIN PAST COVERAGE IN THE STATE OF NEBRASKA

70 Stat. 826.
42 USC 418.

SEC. 119. (a) Section 218(p) of the Social Security Act is amended by inserting “Puerto Rico,” after “Oregon.”

(b) In any case in which—

(1) an individual has performed services prior to the enactment of this Act in the employ of a political subdivision of the State of Nebraska in a fireman’s position, and

(2) amounts, equivalent to the sum of the taxes which would have been imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 had such services constituted employment for purposes of section 21 of such Code at the time they were performed, were timely paid in good faith to the Secretary of the Treasury, and

(3) no refunds of such amounts paid in lieu of taxes have been obtained,

the amount of the remuneration for such services with respect to which such amounts have been paid shall be deemed to constitute remuneration for employment as defined in section 209 of the Social Security Act.

79 Stat. 395,
396.

42 USC 409.

COVERAGE OF FIREMEN’S POSITIONS PURSUANT TO A STATE AGREEMENT

SEC. 120. (a) Section 218(p) of the Social Security Act is amended by—

(1) inserting “(1)” after “(p)” ; and

(2) adding the following paragraph:

“(2) A State, not otherwise listed by name in paragraph (1), shall be deemed to be a State listed in such paragraph for the purpose of extending coverage under this title to service in firemen’s positions covered by a retirement system, if the governor of the State, or an official of the State designated by him for the purpose, certifies to the Secretary of Health, Education, and Welfare that the overall benefit protection of the employees in such positions would be improved by reason of the extension of such coverage to such employees. Notwithstanding the provisions of the second sentence of such paragraph (1), such firemen’s positions shall be deemed a separate retirement system and no other positions shall be included in such system.”

(b) Nothing in the amendments made by subsection (a) shall authorize the extension of the insurance system established by title II of the Social Security Act under the provisions of section 218(d) (6)(C) of such Act to service in any fireman’s position.

42 USC 401-
428; Ante, p. 833.

(c) The amendment made by this section shall apply in the case of any State with respect to modifications of such State agreement under section 218 of the Social Security Act made after the date of enactment of this Act.

VALIDATION OF COVERAGE ERRONEOUSLY REPORTED

SEC. 121. Section 218(f) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

68 Stat. 1058;
72 Stat. 1040.
42 USC 418.

“(3) Notwithstanding the provisions of paragraph (2) of this subsection, in the case of services performed by individuals as members of any coverage group to which an agreement under this section is made applicable, and with respect to which there were timely paid in good faith to the Secretary of the Treasury amounts equivalent to the sum of the taxes which would have been imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 had such services constituted employment for purposes of chapter 21 of such Code at the time they were performed, and with respect to which refunds were not obtained, such individuals may, if so requested by the State, be deemed to be members of such coverage group on the date designated pursuant to paragraph (2).”

79 Stat. 395,
396.

COVERAGE OF FEES OF STATE AND LOCAL GOVERNMENT EMPLOYEES AS SELF-EMPLOYMENT INCOME

SEC. 122. (a) (1) Section 211(c) (1) of the Social Security Act is amended to read as follows:

64 Stat. 503.
42 USC 411.

“(1) The performance of the functions of a public office, other than the functions of a public office of a State or a political subdivision thereof with respect to fees received in any period in which the functions are performed in a position compensated solely on a fee basis and in which such functions are not covered under an agreement entered into by such State and the Secretary pursuant to section 218;”

(2) Section 211(c) (2) of such Act is amended (A) by striking out “and” at the end of subparagraph (C); (B) by striking out the semicolon at the end of subparagraph (D) and inserting in lieu thereof “, and”; and (C) by adding after such subparagraph the following new subparagraph:

74 Stat. 945.

“(E) service performed by an individual as an employee of a State or a political subdivision thereof in a position compensated solely on a fee basis with respect to fees received in any period in which such service is not covered under an agreement entered into by such State and the Secretary pursuant to section 218;”

(b) (1) Section 1402(c) (1) of the Internal Revenue Code of 1954 is amended to read as follows:

68A Stat. 355.

“(1) the performance of the functions of a public office, other than the functions of a public office of a State or a political subdivision thereof with respect to fees received in any period in which the functions are performed in a position compensated solely on a fee basis and in which such functions are not covered under an agreement entered into by such State and the Secretary of Health, Education, and Welfare pursuant to section 218 of the Social Security Act;”

(2) Section 1402(c) (2) of such Code is amended (A) by striking out “and” at the end of subparagraph (C); (B) by striking out the semicolon at the end of subparagraph (D) and inserting in lieu thereof “, and”; and (C) by adding after such subparagraph the following new subparagraph:

74 Stat. 545.

“(E) service performed by an individual as an employee of a State or a political subdivision thereof in a position compensated solely on a fee basis with respect to fees received in any period in which such service is not covered under an agreement entered into by such State and the Secretary of Health, Education, and Welfare pursuant to section 218 of the Social Security Act;”.

(c) (1) The amendments made by subsections (a) and (b) of this section shall apply with respect to fees received after 1967.

(2) Notwithstanding the provisions of subsections (a) and (b) of this section, any individual who in 1968 is in a position to which the amendments made by such subsections apply may make an irrevocable election not to have such amendments apply to the fees he receives in 1968 and every year thereafter, if on or before the due date of his income tax return for 1968 (including any extensions thereof) he files with the Secretary of the Treasury or his delegate, in such manner as the Secretary of the Treasury or his delegate shall by regulations prescribe, a certificate of election of exemption from such amendments.

(d) Section 218 of the Social Security Act is further amended by adding the following new subsection :

“Positions Compensated Solely on a Fee Basis

“(u) (1) Notwithstanding any other provision in this section, an agreement entered into under this section may be made applicable to service performed after 1967 in any class or classes of positions compensated solely on a fee basis to which such agreement did not apply prior to 1968 only if the State specifically requests that its agreement be made applicable to such service in such class or classes of positions.

“(2) Notwithstanding any other provision in this section, an agreement entered into under this section may be modified, at the option of the State, at any time after 1967, so as to exclude services performed in any class or classes of positions compensation for which is solely on a fee basis.

“(3) Any modification made under this subsection shall be effective with respect to services performed after the last day of the calendar year in which the modification is agreed to by the Secretary and the State.

“(4) If any class or classes of positions have been excluded from coverage under the State agreement by a modification agreed to under this subsection, the Secretary and the State may not thereafter modify such agreement so as to again make the agreement applicable with respect to such class or classes of positions.”

FAMILY EMPLOYMENT IN A PRIVATE HOME

SEC. 123. (a) Section 210(a) (3) (B) of the Social Security Act is amended by inserting after the semicolon the following: “except that the provisions of this subparagraph shall not be applicable to such domestic service if—

“(i) the employer is a surviving spouse or a divorced individual and has not remarried, or has a spouse living in the home who has a mental or physical condition which results in such spouse’s being incapable of caring for a son, daughter, stepson, or stepdaughter (referred to in clause (ii)) for at least 4 continuous weeks in the calendar quarter in which the service is rendered, and

“(ii) a son, daughter, stepson, or stepdaughter of such employer is living in the home, and

“(iii) the son, daughter, stepson, or stepdaughter (referred to in clause (ii)) has not attained age 18 or has a mental or physical

condition which requires the personal care and supervision of an adult for at least 4 continuous weeks in the calendar quarter in which the service is rendered;”

(b) Section 3121(b)(3)(B) of the Internal Revenue Code of 1954 (relating to definition of employment) is amended by inserting after the semicolon the following: “except that the provisions of this subparagraph shall not be applicable to such domestic service if—

74 Stat. 942.

“(i) the employer is a surviving spouse or a divorced individual and has not remarried, or has a spouse living in the home who has a mental or physical condition which results in such spouse’s being incapable of caring for a son, daughter, stepson, or stepdaughter (referred to in clause (ii)) for at least 4 continuous weeks in the calendar quarter in which the service is rendered, and

“(ii) a son, daughter, stepson, or stepdaughter of such employer is living in the home, and

“(iii) the son, daughter, stepson, or stepdaughter (referred to in clause (ii)) has not attained age 18 or has a mental or physical condition which requires the personal care and supervision of an adult for at least 4 continuous weeks in the calendar quarter in which the service is rendered;”

(c) The amendments made by this section shall apply with respect to services performed after December 31, 1967.

TERMINATION OF COVERAGE OF EMPLOYEES OF THE MASSACHUSETTS TURNPIKE AUTHORITY

SEC. 124. (a) Notwithstanding the provisions of section 218(g)(1) of the Social Security Act the Secretary may, under such conditions as he deems appropriate, permit the State of Massachusetts to modify its agreement entered into under section 218 of such Act so as to terminate the coverage of the employees of the Massachusetts Turnpike Authority effective at the end of any calendar quarter within the two years next following the date on which such agreement is so modified.

64 Stat. 516.
42 USC 418.

(b) If the coverage of employees of the Massachusetts Turnpike Authority is terminated pursuant to subsection (a), coverage cannot later be extended to the employees of such Authority.

PART 3—HEALTH INSURANCE BENEFITS

METHOD OF PAYMENT TO PHYSICIANS UNDER SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

SEC. 125. (a) Section 1842(b)(3)(B) of the Social Security Act is amended—

79 Stat. 310.
42 USC 1395u.

(1) by striking out “(i)”; and

(2) by striking out “and (ii)” and all that follows and inserting in lieu thereof the following: “and such payment will be made—

“(i) on the basis of an itemized bill; or

“(ii) on the basis of an assignment under the terms of which the reasonable charge is the full charge for the service; but (in the case of bills submitted, or requests for payment made, after March 1968) only if the bill is submitted, or a written request for payment is made in such other form as may be permitted under regulations, no later than the close of the calendar year following the year in which such service is furnished (deeming any service furnished in the last 3 months of any calendar year to have been furnished in the succeeding calendar year);”.

(b) The amendments made by subsection (a) shall apply with respect to claims on which a final determination has not been made on or before the date of enactment of this Act.

ELIMINATION OF REQUIREMENT OF PHYSICIAN CERTIFICATION IN CASE OF
CERTAIN HOSPITAL SERVICES

Post. p. 848.

SEC. 126. (a) Section 1814(a) of the Social Security Act (as amended by section 129(c)(5) of this Act) is amended—

- (1) by striking out subparagraph (A) of paragraph (2);
- (2) by redesignating subparagraphs (B), (C), (D), and (E) of paragraph (2) as subparagraphs (A), (B), (C), and (D), respectively;
- (3) by redesignating paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively;
- (4) by inserting immediately after paragraph (2) the following new paragraph:

“(3) with respect to inpatient hospital services (other than inpatient psychiatric hospital services and inpatient tuberculosis hospital services) which are furnished over a period of time, a physician certifies that such services are required to be given on an inpatient basis for such individual’s medical treatment, or that inpatient diagnostic study is medically required and such services are necessary for such purpose, except that (A) such certification shall be furnished only in such cases, with such frequency, and accompanied by such supporting material, appropriate to the cases involved, as may be provided by regulations, and (B) the first such certification required in accordance with clause (A) shall be furnished no later than the 20th day of such period;” and

(5) by striking out “(D), or (E)” in the last sentence and inserting in lieu thereof “or (D)”.

79 Stat. 303.
42 USC 1395n.

Post. p. 847.

(b) Section 1835(a)(2)(B) of such Act is amended by inserting after “medical and other health services,” the following: “except services described in subparagraphs (B) and (C) of section 1861(s)(2),”.

(c) The amendments made by this section shall apply with respect to services furnished after the date of the enactment of this Act.

INCLUSION OF PODIATRISTS’ SERVICES UNDER SUPPLEMENTARY
MEDICAL INSURANCE PROGRAM

79 Stat. 321.
42 USC 1395x.

SEC. 127. (a) Section 1861(r) of the Social Security Act is amended—

(1) by striking out “or (2)” and inserting in lieu thereof “(2)”;

and
(2) by inserting before the period at the end thereof the following: “, or (3) except for the purposes of section 1814(a), section 1835, and subsections (j), (k), (m), and (o) of this section, a doctor of podiatry or surgical chiropody, but (unless clause (1) of this subsection also applies to him) only with respect to functions which he is legally authorized to perform as such by the State in which he performs them”.

42 USC 1395y.

(b) Section 1862(a) of such Act is amended—

- (1) by striking out “or” at the end of paragraph (11);
- (2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof “; or”; and
- (3) by adding after paragraph (12) the following new paragraph:

“(13) where such expenses are for—

“(A) the treatment of flat foot conditions and the prescription of supportive devices therefor,

“(B) the treatment of subluxations of the foot, or

“(C) routine foot care (including the cutting or removal of corns, warts, or calluses, the trimming of nails, and other routine hygienic care).”

(c) The amendments made by subsections (a) and (b) shall apply with respect to services furnished after December 31, 1967.

EXCLUSION OF CERTAIN SERVICES

SEC. 128. Section 1862(a)(7) of the Social Security Act is amended by inserting after “changing eyeglasses,” the following: “procedures performed (during the course of any eye examination) to determine the refractive state of the eyes.”

79 Stat. 325.
42 USC 1395y.

TRANSFER OF ALL OUTPATIENT HOSPITAL SERVICES TO SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

SEC. 129. (a) Section 1861(s)(2) of the Social Security Act is amended—

42 USC 1395x.

(1) by inserting “(A)” after “(2)”;

(2) by striking out “physicians’ bills” and all that follows and inserting in lieu thereof the following: “physicians’ bills;

“(B) hospital services (including drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered) incident to physicians’ services rendered to outpatients; and

“(C) diagnostic services which are—

“(i) furnished to an individual as an outpatient by a hospital or by others under arrangements with them made by a hospital, and

“(ii) ordinarily furnished by such hospital (or by others under such arrangements) to its outpatients for the purpose of diagnostic study;”.

(b) Section 1861(s) of such Act is further amended by adding at the end thereof (after and below paragraph (11)) the following new sentence:

“There shall be excluded from the diagnostic services specified in paragraph (2)(C) any item or service (except services referred to in paragraph (1)) which—

“(12) would not be included under subsection (b) if it were furnished to an inpatient of a hospital; or

“(13) is furnished under arrangements referred to in such paragraph (2)(C) unless furnished in the hospital or in other facilities operated by or under the supervision of the hospital or its organized medical staff.”

(c) (1) Section 226(b)(1) of such Act is amended by striking out “post-hospital home health services, and outpatient hospital diagnostic services” and inserting in lieu thereof “and post-hospital home health services”.

79 Stat. 290.
42 USC 426.

(2) Section 1812(a) of such Act is amended—

(A) by adding “and” at the end of paragraph (2);

(B) by striking out “; and” at the end of paragraph (3) and inserting in lieu thereof a period; and

(C) by striking out paragraph (4).

79 Stat. 291.
42 USC 1395d.

(3) Section 1813(a) of such Act is amended by striking out paragraph (2), and by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

42 USC 1395e.

79 Stat. 293.
42 USC 1395e.

(4) (A) Section 1813(b) (1) of such Act is amended by striking out "or diagnostic study".

(B) The first sentence of section 1813(b) (2) of such Act is amended by striking out "or diagnostic study".

42 USC 1395f.
Ante, p. 846.

(5) (A) Section 1814(a) (2) of such Act is amended—

(i) by adding "or" at the end of subparagraph (D);

(ii) by striking out "or" at the end of subparagraph (E); and

(iii) by striking out subparagraph (F).

(B) The last sentence of section 1814(a) of such Act is amended by striking out "(E), or (F)" and inserting in lieu thereof "or (E)".

42 USC 1395k.

(6) (A) Section 1814(d) of such Act is amended by striking out "or outpatient hospital diagnostic services".

(B) Section 1832(a) (2) (B) of such Act is amended by striking out "hospital" and inserting in lieu thereof "hospital and the services for which payment may be made pursuant to section 1835(b) (2)".

Infra.

42 USC 1395l.

(7) Section 1833(b) of such Act is amended—

(A) by striking out "(or regarded under clause (2) as incurred in such preceding year with respect to services furnished in such last three months)"; and

(B) by striking out "and (2)" and all that follows and inserting in lieu thereof a period.

Post. p. 850.

79 Stat. 303.
42 USC 1395l.

(8) Section 1833(d) of such Act is amended by striking out "other than subsection (a) (2) (A) thereof".

42 USC 1395n.

(9) (A) Section 1835(a) of such Act is amended by striking out "Payment" and inserting in lieu thereof "Except as provided in subsection (b), payment".

(B) Section 1835 of such Act is further amended by redesignating subsection (b) as subsection (c), and by inserting after subsection (a) the following new subsection:

42 USC 1395x.
Ante, p. 847.

"(b) (1) Payment may also be made to any hospital for services described in section 1861(s) furnished as an outpatient service by a hospital or by others under arrangements made by it to an individual entitled to benefits under this part even though such hospital does not have an agreement in effect under this title if (A) such services were emergency services, (B) the Secretary would be required to make such payment if the hospital had such an agreement in effect and otherwise met the conditions of payment hereunder, and (C) such hospital has made an election pursuant to section 1814(d) (1) (C) with respect to the calendar year in which such emergency services are provided. Such payments shall be made only in the amounts provided under section 1833(a) (2) and then only if such hospital agrees to comply, with respect to the emergency services provided, with the provisions of section 1866(a).

Post. p. 857.

42 USC 1395cc.

"(2) Payment may also be made on the basis of an itemized bill to an individual for services described in paragraph (1) of this subsection if (A) payment cannot be made under such paragraph (1) solely because the hospital does not elect, in accordance with section 1814(d) (1) (C), to claim such payments and (B) such individual files application (submitted within such time and in such form and manner, and containing and supported by such information as the Secretary shall by regulations prescribe) for reimbursement. The amounts payable under this paragraph shall, subject to the provisions of section 1833, be equal to 80 percent of the hospital's reasonable charges for such services."

42 USC 1395x.

(C) Section 1861(e) of such Act is amended—

(i) by striking out "except for purposes of section 1814(d)," and inserting in lieu thereof "except for purposes of sections 1814(d) and 1835(b),"; and

(ii) by striking out “(including determination of whether an individual received inpatient hospital services for purposes of such section)” and inserting in lieu thereof “and 1835(b) (including determination of whether an individual received inpatient hospital services or diagnostic services for purposes of such sections)”.

(10) Section 1861(p) of such Act is repealed.

(11) Section 1861(y)(3) of such Act is amended by striking out “1813(a)(4)” and inserting in lieu thereof “1813(a)(3)”.

(12) (A) Section 1866(a)(2)(A) of such Act is amended—

(i) by striking out “, (a)(2), or (a)(4)” and inserting in lieu thereof “or (a)(3)”; and

(ii) by striking out “or, in the case of outpatient hospital diagnostic services, for which payment is made under part A”.

(B) Section 1866(a)(2)(C) of such Act is amended by striking out “1813(a)(3)” and inserting in lieu thereof “1813(a)(2)”.

(13) Section 21(a) of the Railroad Retirement Act of 1937 is amended by striking out “post-hospital home health services, and outpatient hospital diagnostic services” and inserting in lieu thereof “and post-hospital home health services”.

(d) The amendments made by this section shall apply with respect to services furnished after March 31, 1968, except that subsection (c)(5) of such section shall become effective with respect to services furnished after the date of enactment of this Act.

BILLING BY HOSPITAL FOR SERVICES FURNISHED TO OUTPATIENTS

SEC. 130. (a) Section 1835(a) of the Social Security Act (as amended by section 129(c)(9)(A) of this Act) is further amended by striking out “Except as provided in subsection (b),” and inserting in lieu thereof “Except as provided in subsections (b) and (c).”

(b) Section 1835 of such Act (as amended by section 129(c)(9)(B) of this Act) is amended by redesignating subsection (c) (as redesignated) as subsection (d), and by inserting after subsection (b) the following new subsection:

“(c) Notwithstanding the provisions of this section and sections 1832, 1833, and 1866(a)(1)(A), a hospital may, subject to such limitations as may be prescribed by regulations, collect from an individual the customary charges for services specified in section 1861(s) and furnished to him by such hospital as an outpatient, but only if such charges for such services do not exceed \$50, and such customary charges shall be regarded as expenses incurred by such individual with respect to which benefits are payable in accordance with section 1833(a)(1). Payments under this title to hospitals which have elected to make collections from individuals in accordance with the preceding sentence shall be adjusted periodically to place the hospital in the same position it would have been had it instead been reimbursed in accordance with section 1833(a)(2).”

(c) The amendments made by this section shall apply with respect to services furnished after March 31, 1968.

PAYMENT OF REASONABLE CHARGES FOR RADIOLOGICAL OR PATHOLOGICAL SERVICES FURNISHED BY CERTAIN PHYSICIANS TO HOSPITAL INPATIENTS

SEC. 131. (a) Section 1833(a)(1) of the Social Security Act is amended—

(1) by striking out “except that” and inserting in lieu thereof “except that (A)”, and

(2) by striking out “of subsection (b)” and inserting in lieu thereof “of subsection (b), and (B) with respect to expenses

Repeal.

79 Stat. 321.

42 USC 1395x.

42 USC 1395cc.

79 Stat. 340.

45 USC 228s-2.

Ante, p. 848.

42 USC 1395k,
1395l, 1395cc.

42 USC 1395x.
Ante, p. 847.

Infra.

79 Stat. 302.

42 USC 1395l.

incurred for radiological or pathological services for which payment may be made under this part, furnished to an inpatient of a hospital by a physician in the field of radiology or pathology, the amounts paid shall be equal to 100 percent of the reasonable charges for such services”.

Ante, p. 848.

(b) Section 1833(b) of such Act (as amended by section 129(c) (7) of this Act) is amended by inserting before the period at the end thereof the following: “, and (2) such total amount shall not include expenses incurred for radiological or pathological services furnished to such individual as an inpatient of a hospital by a physician in the field of radiology or pathology”.

(c) The amendments made by this section shall apply with respect to services furnished after March 31, 1968.

PAYMENT FOR PURCHASE OF DURABLE MEDICAL EQUIPMENT

79 Stat. 322.
42 USC 1395x.

SEC. 132. (a) Section 1861(s) (6) of the Social Security Act is amended by striking out “rental of”, and by inserting before the semicolon at the end thereof the following: “, whether furnished on a rental basis or purchased”.

42 USC 1395l.

(b) Section 1833 of such Act is amended by adding at the end thereof the following new subsection:

“(f) In the case of the purchase of durable medical equipment included under section 1861(s) (6), by or on behalf of an individual, payment shall be made in such amounts as the Secretary determines to be equivalent to payments that would have been made under this part had such equipment been rented and over such period of time as the Secretary finds such equipment would be used for such individual’s medical treatment, except that with respect to purchases of inexpensive equipment (as determined by the Secretary) payment may be made in a lump sum if the Secretary finds that such method of payment is less costly or more practical than periodic payments.”

(c) The amendments made by this section shall apply only with respect to items purchased after December 31, 1967.

PAYMENT FOR PHYSICAL THERAPY SERVICES FURNISHED TO OUTPATIENTS

Ante, p. 847.

SEC. 133. (a) Section 1861(s) (2) of the Social Security Act (as amended by section 129(a) (2) of this Act) is amended by—

- (1) striking out “and” at the end of subparagraph (B);
- (2) inserting “and” at the end of subparagraph (C); and
- (3) adding at the end thereof the following:
“(D) outpatient physical therapy services;”

(b) Section 1861 of such Act is amended by inserting after subsection (o) the following new subsection (in lieu of subsection (p) repealed by section 129(c) (10) of this Act):

Ante, p. 849.

“Outpatient Physical Therapy Services

“(p) The term ‘outpatient physical therapy services’ means physical therapy services furnished by a provider of services, a clinic, rehabilitation agency, or a public health agency, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency to an individual as an outpatient—

“(1) who is under the care of a physician (as defined in section 1861(r) (1)), and

“(2) with respect to whom a plan prescribing the type, amount, and duration of physical therapy services that are to be fur-

nished such individual has been established, and is periodically reviewed, by a physician (as so defined);
excluding, however—

“(3) any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital; and

“(4) any such service—

“(A) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

“(i) provides an adequate program of physical therapy services for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Secretary may specify,

“(ii) has policies, established by a group of professional personnel, including one or more physicians (associated with the clinic or rehabilitation agency) and one or more qualified physical therapists, to govern the services (referred to in clause (i)) it provides,

“(iii) maintains clinical records on all patients,

“(iv) if such clinic or agency is situated in a State in which State or applicable local law provides for the licensing of institutions of this nature, (I) is licensed pursuant to such law, or (II) is approved by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and

“(v) meets such other conditions relating to the health and safety of individuals who are furnished services by such clinic or agency on an outpatient basis, as the Secretary may find necessary, or

“(B) if furnished by a public health agency, unless such agency meets such other conditions relating to health and safety of individuals who are furnished services by such agency on an outpatient basis, as the Secretary may find necessary.”

(c) Section 1866 of such Act is amended by adding at the end thereof the following new subsection:

“(e) For purposes of this section, the term ‘provider of services’ shall include a clinic, rehabilitation agency, or public health agency if, in the case of a clinic or rehabilitation agency, such clinic or agency meets the requirements of section 1861(p)(4)(A), or if, in the case of a public health agency, such agency meets the requirements of section 1861(p)(4)(B), but only with respect to the furnishing of outpatient physical therapy services (as therein defined).”

(d) Section 1832(a) of such Act is amended by—

(1) deleting “and” at the end of paragraph (2)(A) thereof;

(2) striking out the period at the end and inserting in lieu thereof the following: “; and”; and

(3) adding at the end thereof the following new subparagraph:

“(C) outpatient physical therapy services.”

(e) Section 1835(a)(2) of such Act (as amended by section 126(b) of this Act) is amended by—

(1) striking out “and” at the end of subparagraph (A);

(2) striking out the period at the end and inserting in lieu thereof the following: “; and”; and

(3) adding at the end thereof the following new subparagraph:

“(C) in the case of outpatient physical therapy services,

(i) such services are or were required because the individual

79 Stat. 327.
42 USC 1395cc.

“Provider of services.”

Supra.

79 Stat. 302.
42 USC 1395k.

Ante, p. 846.

needed physical therapy services on an outpatient basis, (ii) a plan for furnishing such services has been established, and is periodically reviewed, by a physician, and (iii) such services are or were furnished while the individual is or was under the care of a physician.”;

(4) striking out “(B) and (C) of section 1861(s)(2)” and inserting in lieu thereof “(B), (C), and (D) of section 1861(s)(2)”;

Ante, p. 850.
“Provider of services.”

(5) adding at the end thereof the following new sentence: “For purposes of this section, the term ‘provider of services’ shall include a clinic, rehabilitation agency, or public health agency if, in the case of a clinic or rehabilitation agency, such clinic or agency meets the requirements of section 1861(p)(4)(A), or if, in the case of a public health agency, such agency meets the requirements of section 1861(p)(4)(B), but only with respect to the furnishing of outpatient physical therapy services (as therein defined).”

79 Stat. 326.
42 USC 1395aa.

(f) The first sentence of section 1864(a) of such Act is amended by inserting before the period the following: “, or whether a clinic, rehabilitation agency or public health agency meets the requirements of subparagraph (A) or (B), as the case may be, of section 1861(p)(4)”.

(g) The amendments made by the preceding subsections of this section shall apply to services furnished after June 30, 1968.

PAYMENT FOR CERTAIN PORTABLE X-RAY SERVICES

42 USC 1395x.

SEC. 134. (a) Section 1861(s)(3) of the Social Security Act is amended by striking out “diagnostic X-ray tests,” and inserting in lieu thereof the following: “diagnostic X-ray tests (including tests under the supervision of a physician, furnished in a place of residence used as the patient’s home, if the performance of such tests meets such conditions relating to health and safety as the Secretary may find necessary).”

(b) The amendment made by subsection (a) shall apply with respect to services furnished after December 31, 1967.

BLOOD DEDUCTIBLES

Ante, p. 847.

SEC. 135. (a) (1) Section 1813(a)(2) of the Social Security Act (as redesignated by section 129(c)(3) of this Act) is amended to read as follows:

“(2) The amount payable to any provider of services under this part for services furnished an individual during any spell of illness shall be further reduced by a deduction equal to the cost of the first three pints of whole blood (or equivalent quantities of packed red blood cells, as defined under regulations) furnished to him as part of such services during such spell of illness.”

Ante, p. 849.

(b) Section 1866(a)(2)(C) of such Act (as amended by section 129(c)(12)(B) of this Act) is amended—

(1) by striking out “may also charge” and inserting in lieu thereof “may in accordance with its customary practice also appropriately charge”;

(2) by inserting after “whole blood” the following: “(or equivalent quantities of packed red blood cells, as defined under regulations)”;

(3) by inserting after “blood” where it appears in clauses (i), (ii), and (iii) the following: “(or equivalent quantities of packed red blood cells, as so defined)”;

(4) by adding at the end thereof the following new sentence: “For purposes of clause (iii) of the preceding sentence, whole

blood (or equivalent quantities of packed red blood cells, as so defined) furnished an individual shall be deemed replaced when the provider of services is given one pint of blood for each pint of blood (or equivalent quantities of packed red blood cells, as so defined) furnished such individual with respect to which a deduction is imposed under section 1813(a)(2).”

Ante, p. 852.

(c) Section 1833(b) of such Act (as amended by sections 129(c)(7) and 131(b) of this Act) is amended by adding at the end thereof the following new sentence: “The total amount of the expenses incurred by an individual as determined under the preceding sentence shall, after the reduction specified in such sentence, be further reduced by an amount equal to the expenses incurred for the first three pints of whole blood (or equivalent quantities of packed red blood cells, as defined under regulations) furnished to the individual during the calendar year, except that such deductible for such blood shall in accordance with regulations be appropriately reduced to the extent that there has been a replacement of such blood (or equivalent quantities of packed red blood cells, as so defined); and for such purposes blood (or equivalent quantities of packed red blood cells, as so defined) furnished such individual shall be deemed replaced when the institution or other person furnishing such blood (or such equivalent quantities of packed red blood cells, as so defined) is given one pint of blood for each pint of blood (or equivalent quantities of packed red blood cells, as so defined) furnished such individual with respect to which a deduction is made under this sentence.”

Ante, pp. 848, 850.

(d) The amendments made by this section shall apply with respect to payment for blood (or packed red blood cells) furnished an individual after December 31, 1967.

ENROLLMENT UNDER SUPPLEMENTARY MEDICAL INSURANCE PROGRAM
BASED ON ALLEGED DATE OF ATTAINING AGE 65

SEC. 136. (a) Section 1837(d) of the Social Security Act is amended by adding at the end thereof the following new sentence: “Where the Secretary finds that an individual who has attained age 65 failed to enroll under this part during his initial enrollment period (based on a determination by the Secretary of the month in which such individual attained age 65), because such individual (relying on documentary evidence) was mistaken as to his correct date of birth, the Secretary shall establish for such individual an initial enrollment period based on his attaining age 65 at the time shown in such documentary evidence (with a coverage period determined under section 1838 as though he had attained such age at that time).”

79 Stat. 304;
80 Stat. 105.
42 USC 1395p.

(b) The amendment made by subsection (a) shall apply to individuals enrolling under part B of title XVIII in months beginning after the date of the enactment of this Act.

42 USC 1395j-
1395w.

EXTENSION BY 60 DAYS DURING INDIVIDUAL'S LIFETIME OF MAXIMUM
DURATION OF BENEFITS FOR INPATIENT HOSPITAL SERVICES

SEC. 137. (a) (1) Section 1812(a)(1) of the Social Security Act is amended by striking out “up to 90 days during any spell of illness” and inserting in lieu thereof “up to 150 days during any spell of illness minus 1 day for each day of inpatient hospital services in excess of 90 received during any preceding spell of illness (if such individual was entitled to have payment for such services made under this part unless he specifies in accordance with regulations of the Secretary that he does not desire to have such payment made)”.

42 USC 1395d.

(2) Section 1812(b)(1) of such Act is amended by striking out “for 90 days during such spell” and inserting in lieu thereof “for 150 days

during such spell minus 1 day for each day of inpatient hospital services in excess of 90 received during any preceding spell of illness (if such individual was entitled to have payment for such services made under this part unless he specifies in accordance with regulations of the Secretary that he does not desire to have such payment made)".

(b) The second sentence of section 1813(a)(1) of such Act is amended to read as follows: "Such amount shall be further reduced by a coinsurance amount equal to—

"(A) one-fourth of the inpatient hospital deductible for each day (before the 91st day) on which such individual is furnished such services during such spell of illness after such services have been furnished to him for 60 days during such spell; and

"(B) one-half of the inpatient hospital deductible for each day (before the day following the last day for which such individual is entitled under section 1812(a)(1) to have payment made on his behalf for inpatient hospital services during such spell of illness) on which such individual is furnished such services during such spell of illness after such services have been furnished to him for 90 days during such spell;

except that the reduction under this sentence for any day shall not exceed the charges imposed for that day with respect to such individual for such services (and for this purpose, if the customary charges for such services are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed)."

(c) The amendments made by subsections (a) and (b) shall apply with respect to services furnished after December 31, 1967.

LIMITATION ON SPECIAL REDUCTION IN ALLOWABLE DAYS OF INPATIENT HOSPITAL SERVICES

42 USC 1395d.

SEC. 138. (a) Section 1812(c) of the Social Security Act is amended by striking out "in the 90-day period immediately before such first day shall be included in determining the 90-day limit under subsection (b)(1) (but not in determining the 190-day limit under subsection (b)(3))" and inserting in lieu thereof "in the 150-day period immediately before such first day shall be included in determining the number of days limit under subsection (b)(1) insofar as such limit applies to (1) inpatient psychiatric hospital services and inpatient tuberculosis hospital services, or (2) inpatient hospital services for an individual who is an inpatient primarily for the diagnosis or treatment of mental illness or tuberculosis (but shall not be included in determining such number of days limit insofar as it applies to other inpatient hospital services or in determining the 190-day limit under subsection (b)(3))".

(b) The amendment made by subsection (a) shall apply with respect to payment for services furnished after December 31, 1967.

TRANSITIONAL PROVISION ON ELIGIBILITY OF PRESENTLY UNINSURED INDIVIDUALS FOR HOSPITAL INSURANCE BENEFITS

79 Stat. 333.
42 USC 426a.

SEC. 139. Section 103(a)(2) of the Social Security Amendments of 1965 is amended by striking out "1965" in clause (B) and inserting in lieu thereof "1966".

ADVISORY COUNCIL TO STUDY COVERAGE OF THE DISABLED UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT

SEC. 140. (a) The Secretary of Health, Education, and Welfare shall appoint an Advisory Council to study the need for coverage of the disabled under the health insurance program of title XVIII of the Social Security Act.

79 Stat. 291.
42 USC 1395-
1395ll.

79 Stat. 292.
42 USC 1395e.

Ante, p. 853.

(b) The Council shall be appointed by the Secretary during 1968 without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and shall consist of 12 persons who shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public.

80 Stat. 417.
5 USC 3301 et
seq.

(c) The Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary shall, in addition, make available to such Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

(d) Members of the Council, while serving on the business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day 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 5703 of title 5, United States Code, for persons in the Government employed intermittently.

Compensation,
travel expenses.

80 Stat. 499.

(e) The Council shall make findings on the unmet need of the disabled for health insurance, on the costs involved in providing the disabled with insurance protection to cover the cost of hospital and medical services, and on the ways of financing this insurance. The Council shall submit a report of its findings to the Secretary not later than January 1, 1969, together with recommendations on how such protection should be financed and, if such financing is to be accomplished through the trust funds established under title XVIII of the Social Security Act, on the extent to which each of such trust funds should bear the cost of such financing. Such report shall thereupon be transmitted to the Congress and to the Boards of Trustees created by sections 1817(b) and 1841(b) of the Social Security Act. After the date of transmittal to the Congress of the report, the Council shall cease to exist.

79 Stat. 291.
42 USC 1395-
1395ll.
Report to
Congress.
42 USC 1395i,
1395t.
Expiration date.

STUDY TO DETERMINE FEASIBILITY OF INCLUSION OF CERTAIN ADDITIONAL SERVICES UNDER PART B OF TITLE XVIII OF THE SOCIAL SECURITY ACT

SEC. 141. The Secretary shall make a study relating to the inclusion under the supplementary medical insurance program (part B of title XVIII of the Social Security Act) of services of additional types of licensed practitioners performing health services in independent practice. The Secretary shall make a report to the Congress prior to January 1, 1969, of his finding with respect to the need for covering, under the supplementary medical insurance program, any of the various types of services such practitioners perform and the costs to such program of covering such additional services, and shall make recommendations as to the priority and method for covering these services and the measures that should be adopted to protect the health and safety of the individuals to whom such services would be furnished.

42 USC 1395j-
1395w.

Report to
Congress.

PROVISIONS FOR BENEFITS UNDER PART A OF TITLE XVIII OF THE SOCIAL SECURITY ACT FOR SERVICES TO PATIENTS ADMITTED PRIOR TO 1968 TO CERTAIN HOSPITALS

SEC. 142. (a) Notwithstanding any provision of title XVIII of the Social Security Act, an individual who is entitled to hospital insurance benefits under section 226 of such Act may, subject to subsections (b) and (c), receive, on the basis of an itemized bill, reimbursement for charges to him for inpatient hospital services (as defined in section

79 Stat. 290.
42 USC 426.

79 Stat. 313.
42 USC 1395x.

1861 of such Act, but without regard to subsection (e) of such section) furnished by, or under arrangements (as defined in section 1861(w) of such Act) with, a hospital if—

42 USC 1395cc.
42 USC 1395c-1395f.

(1) the hospital did not have an agreement in effect under section 1866 of such Act but would have been eligible for payment under part A of title XVIII of such Act with respect to such services if at the time such services were furnished the hospital had such an agreement in effect;

(2) the hospital (A) meets the requirements of paragraphs (5) and (7) of section 1861(e) of such Act, (B) is not primarily engaged in providing the services described in section 1861(j)

(1)(A) of such Act, and (C) is primarily engaged in providing, by or under the supervision of individuals referred to in paragraph (1) of section 1861(r) of such Act, to inpatients (i) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, or (ii) rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

(3) the hospital did not meet the requirements that must be met to permit payment to the hospital under part A of title XVIII of such Act; and

(4) an application is filed (submitted in such form and manner and by such person, and containing and supported by such information, as the Secretary shall by regulations prescribe) for reimbursement before January 1, 1969.

(b) Payments under this section may not be made for inpatient hospital services (as described in subsection (a)) furnished to an individual—

(1) prior to July 1, 1966,

(2) after December 31, 1967, unless furnished with respect to an admission to the hospital prior to January 1, 1968, and

(3) for more than—

(A) 90 days in any spell of illness, but only if (i) prior to January 1, 1969, the hospital furnishing such services entered into an agreement under section 1866 of the Social Security Act and (ii) the hospital's plan for utilization review, as provided for in section 1861(k) of such Act, has, in accordance with section 1814 of such Act, been applied to the services furnished such individual, or

(B) 20 days in any spell of illness, if the hospital did not meet the conditions of clauses (i) and (ii) of subparagraph (A).

(c) (1) The amounts payable in accordance with subsection (a) with respect to inpatient hospital services shall, subject to paragraph (2) of this subsection, be paid from the Federal Hospital Insurance Trust Fund in amounts equal to 60 percent of the hospital's reasonable charges for routine services furnished in the accommodations occupied by the individual or in semi-private accommodations (as defined in section 1861(v)(4) of the Social Security Act) whichever is less, plus 80 percent of the hospital's reasonable charges for ancillary services. If separate charges for routine and ancillary services are not made by the hospital, reimbursement may be based on two-thirds of the hospital's reasonable charges for the services received but not to exceed the charges which would have been made if the patient had occupied semi-private accommodations (as so defined). For purposes of the preceding provisions of this paragraph, the term "routine services" shall mean the regular room, dietary, and nursing services, minor medical

"Routine services."

42 USC 1395f.

and surgical supplies and the use of equipment and facilities for which a separate charge is not customarily made; the term "ancillary services" shall mean those special services for which charges are customarily made in addition to routine services.

"Ancillary services."

(2) Before applying paragraph (1), payments made under this section shall be reduced to the extent provided for under section 1813 of the Social Security Act in the case of benefits payable to providers of services under part A of title XVIII of such Act.

79 Stat. 292.
42 USC 1395e.
42 USC 1395c-1395i.

(d) For the purposes of this section—

(1) the 90-day period, referred to in subsection (b) (3) (A), shall be reduced by the number of days of inpatient hospital services furnished to such individual during the spell of illness, referred to therein, and with respect to which he was entitled to have payment made under part A of title XVIII of the Social Security Act;

(2) the 20-day period, referred to in subsection (b) (3) (B) shall be reduced by the number of days in excess of 70 days of inpatient hospital services furnished during the spell of illness, referred to therein, and with respect to which such individual was entitled to have payment made under such part A;

(3) the term "spell of illness" shall have the meaning assigned to it by subsection (a) of section 1861 of such Act except that the term "inpatient hospital services" as it appears in such subsection shall have the meaning assigned to it by subsection (a) of this section.

"Spell of illness;" "Inpatient hospital services."

42 USC 1395x.

PAYMENTS FOR EMERGENCY HOSPITAL SERVICES

SEC. 143. (a) The second sentence following paragraph (8) of section 1861(e) of the Social Security Act is amended by striking out "which meets the requirement of paragraphs (1), (2), (3), (4), (5) and (7) of this subsection" and inserting in lieu thereof "which (i) meets the requirements of paragraphs (5) and (7) of this subsection, (ii) is not primarily engaged in providing the services described in section 1861(j) (1) (A) and (iii) is primarily engaged in providing, by or under the supervision of individuals referred to in paragraph (1) of section 1861(r), to inpatients diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, or rehabilitation services for the rehabilitation of injured, disabled, or sick persons."

(b) That portion of section 1812(a) of such Act that precedes paragraph (1) thereof is amended by inserting "or, in the case of payments referred to in section 1814(d) (2) to him" after "on his behalf".

42 USC 1395d.
Post, p. 858.
79 Stat. 296.
42 USC 1395f.

(c) Section 1814(d) of such Act is amended by—

(1) striking out "Payments" and inserting in lieu thereof "(1) Payments";

(2) deleting "furnished" and inserting "furnished in a calendar year";

(3) deleting "and" at the end of clause (A) and inserting a comma in lieu thereof;

(4) inserting before the period at the end of the first sentence the following: ", and (C) such hospital has elected to claim payments for all such inpatient emergency services and for the emergency outpatient services referred to in section 1835(b) furnished during such year"; and

Ante, p. 848.

(5) adding at the end of such section 1814(d) the following new paragraphs:

79 Stat. 290.
42 USC 426.

“(2) Payment may be made on the basis of an itemized bill to an individual entitled to hospital insurance benefits under section 226 for services described in paragraph (1) which are emergency services if (A) payment cannot be made under paragraph (1) solely because the hospital does not elect to claim such payment, and (B) such individual files application (submitted within such time and in such form and manner and by such person, and containing and supported by such information as the Secretary shall by regulations prescribe) for reimbursement.

42 USC 1395e.

42 USC 1395x.

“Routine services.”

“Ancillary services.”

“(3) The amounts payable under the preceding paragraph with respect to services described therein shall, subject to the provisions of section 1813, be equal to 60 percent of the hospital's reasonable charges for routine services furnished in the accommodations occupied by the individual or in semiprivate accommodations (as defined in section 1861(v)(4)), whichever is less, plus 80 percent of the hospital's reasonable charges for ancillary services. If separate charges for routine and ancillary services are not made by the hospital, reimbursement may be based on two-thirds of the hospital's reasonable charges for the services received but not to exceed the charges which would have been made if the patient had occupied semiprivate accommodations. For purposes of the preceding provisions of this paragraph, the term ‘routine services’ shall mean the regular room, dietary, and nursing services, minor medical and surgical supplies and the use of equipment and facilities for which a separate charge is not customarily made; the term ‘ancillary services’ shall mean those special services for which charges are customarily made in addition to routine services.”

(d) The provisions made by subsection (a) of this section shall become effective as of July 1, 1966, and the provisions made by subsections (b) and (c) of this section shall apply to services furnished with respect to admissions occurring after December 31, 1967, and to outpatient hospital diagnostic services furnished after December 31, 1967, and before April 1, 1968.

PAYMENT UNDER SUPPLEMENTARY MEDICAL INSURANCE PROGRAM FOR CERTAIN INPATIENT ANCILLARY SERVICES

79 Stat. 321.
42 USC 1395x.

SEC. 144. (a) So much of section 1861(s) of the Social Security Act which precedes paragraph (1) is amended by striking out “(unless they would otherwise constitute inpatient hospital services, extended care services, or home health services)”.

(b) The sentence immediately following paragraph (9) of section 1861(s) of such Act is amended by inserting after “hospital” the following: “(which, for purposes of this sentence, means an institution considered a hospital for purposes of section 1814(d))”.

Ante, p. 847.

42 USC 1395f.

(c) Section 1861(s) of such Act is amended by adding at the end thereof (after and below paragraph (13) as added to such section by section 129(b) of this Act) the following new sentence: “None of the items and services referred to in the preceding paragraphs (other than paragraphs (1) and (2)(A)) of this subsection which are furnished to a patient of an institution which meets the definition of a hospital for purposes of section 1814(d) shall be included unless such other conditions are met as the Secretary may find necessary relating to health and safety of individuals with respect to whom such items and services are furnished.”

(d) Section 1861(s)(6) of such Act is amended by striking out “as his home” and inserting in lieu thereof “as his home other than an

institution that meets the requirements of subsection (e) (1) or (j) (1) of this section”.

(e) The amendments made by this section shall apply with respect to services furnished after March 31, 1968.

GENERAL ENROLLMENT PERIOD UNDER TITLE XVIII

SEC. 145. (a) Section 1837(b)(1) of the Social Security Act is amended to read as follows:

79 Stat. 304.
42 USC 1395p.

“(1) No individual may enroll for the first time under this part unless he does so in a general enrollment period (as provided in subsection (e)) which begins within 3 years after the close of the first enrollment period during which he could have enrolled under this part.”

(b) Section 1837(e) of such Act is amended to read as follows:

“(e) There shall be a general enrollment period, after the period described in subsection (c), during the period beginning on January 1 and ending on March 31 of each year beginning with 1969.”

(c) Section 1838(b) of such Act is amended by—

42 USC 1395q.

(1) striking out in paragraph (1) the following: “, during a general enrollment period described in section 1837(e),”; and

(2) striking out “December 31 of the year” and inserting in lieu thereof “the calendar quarter following the calendar quarter”.

42 USC 1395r.

(d) Section 1839(b)(2) of such Act is amended to read as follows:

“(2) The Secretary shall, during December 1968 and of each year thereafter, determine and promulgate the dollar amount (whether or not such dollar amount was applicable for premiums for any prior month) which shall be applicable for premiums for months occurring in the 12-month period commencing July 1 in each succeeding year. Such dollar amount shall be such amount as the Secretary estimates to be necessary so that the aggregate premiums for such 12-month period will equal one-half of the total of the benefits and administrative costs which he estimates will be payable from the Federal Supplementary Medical Insurance Trust Fund for such 12-month period. In estimating aggregate benefits payable for any period, the Secretary shall include an appropriate amount for a contingency margin. Whenever the Secretary, pursuant to the preceding sentence, promulgates the dollar amount which shall be applicable for premiums for any period, he shall, at the time such promulgation is announced, issue a public statement setting forth the actuarial assumptions and bases employed by him in arriving at the amount of premiums so promulgated.”

(e) The amendments made by subsections (a), (b), and (c) shall become effective April 1, 1968. Notwithstanding the provisions of section 2 of Public Law 90-97, the amendments made by subsection (d) shall become effective December 1, 1968.

Ante, p. 249.

ELIMINATION OF SPECIAL REDUCTION IN ALLOWABLE DAYS OF INPATIENT HOSPITAL SERVICES FOR PATIENTS IN TUBERCULOSIS HOSPITALS

SEC. 146. (a) Section 1812(c) of the Social Security Act (as amended by section 138 of this Act) is further amended—

Ante, p. 854.

(1) by striking out “a psychiatric hospital or a tuberculosis hospital” and inserting in lieu thereof “a psychiatric hospital”,

(2) by striking out “and inpatient tuberculosis hospital services”, and

(3) by striking out “or tuberculosis”.

(b) The amendments made by subsection (a) shall apply with respect to payment for services furnished after December 31, 1967.

PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS

ELIGIBILITY OF ADOPTED CHILD FOR MONTHLY BENEFITS

SEC. 150. (a) The second sentence of section 216(e) of the Social Security Act is amended by striking out "before the end of two years after the day on which such individual died or the date of enactment of this Act" and inserting in lieu thereof "only if (A) proceedings for the adoption of the child had been instituted by such individual before his death, or (B) such child was adopted by such individual's surviving spouse before the end of two years after (i) the day on which such individual died or (ii) the date of enactment of the Social Security Amendments of 1958".

(b) The amendment made by subsection (a) shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after January 1968, but only on the basis of an application filed in or after the month in which this Act is enacted.

CRITERIA FOR DETERMINING CHILD'S DEPENDENCY ON MOTHER

SEC. 151. (a) Section 202(d)(3) of the Social Security Act is amended—

(1) by inserting "or his mother or adopting mother" after "his father or adopting father" in the first sentence; and

(2) by striking out ", if such individual is the child's father," in the second sentence.

(b) Section 202(d)(4) of such Act is amended by inserting "or stepmother" after "stepfather" each place it appears.

(c) Section 202(d) of such Act is further amended by striking out paragraph (5), and by redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

(d) (1) The paragraph of section 202(d) of such Act redesignated as paragraph (9) by subsection (c) of this section is amended by striking out "under paragraph (9)" and inserting in lieu thereof "under paragraph (8)".

(2) Paragraphs (2) and (3) of section 202(s) of such Act are each amended by striking out "(d)(6)," and inserting in lieu thereof "(d)(5),".

(3) Section (5)(1)(1) of the Railroad Retirement Act of 1937 is amended—

(A) by striking out "(3), (4), or (5)" in the third sentence and inserting in lieu thereof "(3) or (4)"; and

(B) by striking out "paragraph (8)" in the ninth sentence and inserting in lieu thereof "paragraph (7)".

(e) The amendments made by this section shall apply with respect to monthly benefits payable under title II of the Social Security Act (and annuities accruing under the Railroad Retirement Act of 1937) for months after January 1968, but only on the basis of applications filed in or after the month in which this Act is enacted.

RECOVERY OF OVERPAYMENTS

SEC. 152. (a) Section 204(a) of the Social Security Act is amended to read as follows:

"(a) Whenever the Secretary finds that more or less than the correct amount of payment has been made to any person under this title, proper adjustment or recovery shall be made, under regulations prescribed by the Secretary, as follows:

“(1) With respect to payment to a person of more than the correct amount, the Secretary shall decrease any payment under this title to which such overpaid person is entitled, or shall require such overpaid person or his estate to refund the amount in excess of the correct amount, or shall decrease any payment under this title payable to his estate or to any other person on the basis of the wages and self-employment income which were the basis of the payments to such overpaid person, or shall apply any combination of the foregoing.

“(2) With respect to payment to a person of less than the correct amount, the Secretary shall make payment of the balance of the amount due such underpaid person, or, if such person dies before payments are completed or before negotiating one or more checks representing correct payments, disposition of the amount due shall be made in accordance with subsection (d).”

(b) Section 204(b) of such Act is amended to read as follows:

“(b) In any case in which more than the correct amount of payment has been made, there shall be no adjustment of payments to, or recovery by the United States from, any person who is without fault if such adjustment or recovery would defeat the purpose of this title or would be against equity and good conscience.”

53 Stat. 1368.
42 USC 404.

BENEFITS PAID ON BASIS OF ERRONEOUS REPORTS OF DEATH IN MILITARY SERVICE

SEC. 153. (a) Section 204(a)(1) of the Social Security Act (as amended by section 152 of this Act) is further amended by adding at the end the following sentence: “A payment made under this title on the basis of an erroneous report of death by the Department of Defense of an individual in the line of duty while he is a member of the uniformed services (as defined in section 210(m)) on active duty (as defined in section 210(1)) shall not be considered an incorrect payment for any month prior to the month such Department notifies the Secretary that such individual is alive.”

Ante, p. 860.

42 USC 410.

(b) The amendment made by this section shall apply with respect to benefits under title II of the Social Security Act if the individual to whom such benefits were paid would have been entitled to such benefits in or after the month in which this Act was enacted if the report mentioned in the amendment made by subsection (a) of this section had been correct (but without regard to the provisions of section 202(j)(1) of such Act).

42 USC 401-428; *Ante*, p. 833.

42 USC 402.

UNDERPAYMENTS

SEC. 154. (a) Section 204(d) of the Social Security Act is amended to read as follows:

79 Stat. 401.
42 USC 404.

“(d) If an individual dies before any payment due him under this title is completed, payment of the amount due (including the amount of any unnegotiated checks) shall be made—

“(1) to the person, if any, who is determined by the Secretary to be the surviving spouse of the deceased individual and who either (i) was living in the same household with the deceased at the time of his death or (ii) was, for the month in which the deceased individual died, entitled to a monthly benefit on the basis of the same wages and self-employment income as was the deceased individual;

“(2) if there is no person who meets the requirements of paragraph (1), or if the person who meets such requirements dies before the payment due him under this title is completed, to the child or children, if any, of the deceased individual who were, for

the month in which the deceased individual died, entitled to monthly benefits on the basis of the same wages and self-employment income as was the deceased individual (and, in case there is more than one such child, in equal parts to each such child);

“(3) if there is no person who meets the requirements of paragraph (1) or (2), or if each person who meets such requirements dies before the payment due him under this title is completed, to the parent or parents, if any, of the deceased individual who were, for the month in which the deceased individual died, entitled to monthly benefits on the basis of the same wages and self-employment income as was the deceased individual (and, in case there is more than one such parent, in equal parts to each such parent);

“(4) if there is no person who meets the requirements of paragraph (1), (2), or (3), or if each person who meets such requirements dies before the payment due him under this title is completed, to the person, if any, determined by the Secretary to be the surviving spouse of the deceased individual;

“(5) if there is no person who meets the requirements of paragraph (1), (2), (3), or (4), or if each person who meets such requirements dies before the payment due him under this title is completed, to the person or persons, if any, determined by the Secretary to be the child or children of the deceased individual (and, in case there is more than one such child, in equal parts to each such child);

“(6) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), or (5), or if each person who meets such requirements dies before the payment due him under this title is completed, to the parent or parents, if any, of the deceased individual (and, in case there is more than one such parent, in equal parts to each such parent); or

“(7) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), (5), or (6), or if each person who meets such requirements dies before the payment due him under this title is completed, to the legal representative of the estate of the deceased individual, if any.”

(b) The heading of section 1870 of such Act is amended by adding at the end thereof “AND SETTLEMENT OF CLAIMS FOR BENEFITS ON BEHALF OF DECEASED INDIVIDUALS”.

(c) Section 1870 of such Act is amended by adding after subsection (d) the following new subsections:

“(e) If an individual, who received services for which payment may be made to such individual under this title, dies, and payment for such services was made (other than under this title), and the individual died before any payment due him under this title with respect to such services was completed, payment of the amount due (including the amount of any unnegotiated checks) shall be made—

“(1) if the payment for such services was made (before or after such individual's death) by a person other than the deceased individual, to the person or persons determined by the Secretary under regulations to have paid for such services, or if the payment for such services was made by the deceased individual before his death, to the legal representative of the estate of such deceased individual, if any;

“(2) if there is no person who meets the requirements of paragraph (1), to the person, if any, who is determined by the Secretary to be the surviving spouse of the deceased individual and who was either living in the same household with the deceased at the time of his death or was, for the month in which the deceased individual died, entitled to a monthly benefit on the

basis of the same wages and self-employment income as was the deceased individual;

“(3) if there is no person who meets the requirements of paragraph (1) or (2), or if the person who meets such requirements dies before the payment due him under this title is completed, to the child or children, if any, of the deceased individual who were, for the month in which the deceased individual died, entitled to monthly benefits on the basis of the same wages and self-employment income as was the deceased individual (and, in case there is more than one such child, in equal parts to each such child);

“(4) if there is no person who meets the requirements of paragraph (1), (2), or (3), or if each person who meets such requirements dies before the payment due him under this title is completed, to the parent or parents, if any, of the deceased individual who were, for the month in which the deceased individual died, entitled to monthly benefits on the basis of the same wages and self-employment income as was the deceased individual (and, in case there is more than one such parent, in equal parts to each such parent);

“(5) if there is no person who meets the requirements of paragraph (1), (2), (3), or (4), or if each person who meets such requirements dies before the payment due him under this title is completed, to the person, if any, determined by the Secretary to be the surviving spouse of the deceased individual;

“(6) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), or (5), or if each person who meets such requirements dies before the payment due him under this title is completed, to the person or persons, if any, determined by the Secretary to be the child or children of the deceased individual (and, in case there is more than one such child, in equal parts to each such child);

“(7) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), (5), or (6), or if each person who meets such requirements dies before the payment due him under this title is completed, to the parent or parents, if any, of the deceased individual (and, in case there is more than one such parent, in equal parts to each such parent); or

“(8) if there is no person who meets the requirements of paragraph (1), (2), (3), (4), (5), (6), or (7), or if each person who meets such requirements dies before the payment due him under this title is completed, to the legal representatives of the estate of the deceased individual, if any.

“(f) If an individual who received medical and other health services for which payment may be made under section 1832(a) (1) dies, and—

“(1) no assignment of the right to payments was made by such individual before his death, and

“(2) payment for such services has not been made, payment for such services shall be made to the physician or other person who provided such services, but payment shall be made under this subsection only in such amount and subject to such conditions as would have been applicable if the individual who received the services had not died, and only if the person or persons who provided the services agrees that the reasonable charge is the full charge for the services.”

(d) Section 1842(b) (3) (B) of such Act (as amended by section 125(a) of this Act) is amended by striking out “and such payment will be made” and inserting in lieu thereof “and such payment will (except as otherwise provided in section 1870(f)) be made”.

79 Stat. 302.
42 USC 1395k.

Ante, p. 845.

SIMPLIFICATION OF COMPUTATION OF PRIMARY INSURANCE AMOUNT AND
QUARTERS OF COVERAGE IN CASE OF 1937-1950 WAGES

SEC. 155. (a) (1) Section 215(d) (1) of the Social Security Act is amended to read as follows:

“Primary Insurance Benefit Under 1939 Act

“(d) (1) For purposes of column I of the table appearing in subsection (a) of this section, an individual’s primary insurance benefit shall be computed as follows:

“(A) The individual’s average monthly wage shall be determined as provided in subsection (b) (but without regard to paragraph (4) thereof) of this section, except that for purposes of paragraph (2) (C) and (3) of such subsection, 1936 shall be used instead of 1950.

“(B) For purposes of subparagraphs (B) and (C) of subsection (b) (2), an individual whose total wages prior to 1951 (as defined in subparagraph (C) of this subsection)—

“(i) do not exceed \$27,000 shall be deemed to have been paid such wages in equal parts in nine calendar years after 1936 and prior to 1951;

“(ii) exceed \$27,000 and are less than \$42,000 shall be deemed to have been paid (I) \$3,000 in each of such number of calendar years after 1936 and prior to 1951 as is equal to the integer derived by dividing such total wages by \$3,000, and (II) the excess of such total wages over the product of \$3,000 times such integer, in an additional calendar year in such period; or

“(iii) are at least \$42,000 shall be deemed to have been paid \$3,000 in each of the fourteen calendar years after 1936 and prior to 1951.

“(C) For the purposes of subparagraph (B), ‘total wages prior to 1951’ with respect to an individual means the sum of (i) remuneration credited to such individual prior to 1951 on the records of the Secretary, (ii) wages deemed paid prior to 1951 to such individual under section 217, and (iii) compensation under the Railroad Retirement Act of 1937 prior to 1951 creditable to him pursuant to this title.

“(D) The individual’s primary insurance benefit shall be 45.6 per centum of the first \$50 of his average monthly wage as computed under this subsection, plus 11.4 per centum of the next \$200 of such average monthly wage.”

(2) Section 215(d) (2) of such Act is amended to read as follows:

“(2) The provisions of this subsection shall be applicable only in the case of an individual—

“(A) with respect to whom at least one of the quarters elapsing prior to 1951 is a quarter of coverage;

“(B) except as provided in paragraph (3), who attained age 22 after 1950 and with respect to whom less than six of the quarters elapsing after 1950 are quarters of coverage, or who attained such age before 1951; and

“(C) (i) who becomes entitled to benefits under section 202(a) or 223 after the date of the enactment of the Social Security Amendments of 1967, or

“(ii) who dies after such date without being entitled to benefits under section 202(a) or 223, or

“(iii) whose primary insurance amount is required to be re-computed under section 215(f) (2).”

72 Stat. 1016.
42 USC 415.

Ante, p. 824.

“Total wages
prior to 1951.”

42 USC 417.
50 Stat. 307.
45 USC 228a-
228s-2.

42 USC 402,
423.

Post, p. 865.

(3) Section 215(d) (3) of such Act is amended to read as follows:

74 Stat. 962.
42 USC 415.

“(3) The provisions of this subsection as in effect prior to the enactment of the Social Security Amendments of 1967 shall be applicable in the case of an individual—

“(A) who attained age 21 after 1936 and prior to 1951, or

“(B) who had a period of disability which began prior to 1951, but only if the primary insurance amount resulting therefrom is higher than the primary insurance amount resulting from the application of this section (as amended by the Social Security Amendments of 1967) and section 220.”

42 USC 420.

(4) So much of section 215(f) (2) of such Act as precedes subparagraph (E) is amended to read as follows:

79 Stat. 365.

“(2) If an individual has wages or self-employment income for a year after 1965 for any part of which he is entitled to old-age insurance benefits, the Secretary shall, at such time or times and within such period as he may by regulations prescribe, recompute such individual's primary insurance amount with respect to each such year. Such recomputation shall be made as provided in subsection (a) (1) and (3) as though the year with respect to which such recomputation is made is the last year of the period specified in subsection (b) (2) (C). A recomputation under this paragraph with respect to any year shall be effective—”

(5) Subparagraphs (E) and (F) of such section 215(f) (2) are redesignated as subparagraphs (A) and (B), respectively.

64 Stat. 509;
79 Stat. 365.

(6) Section 215(f) of such Act is further amended by adding at the end thereof the following new paragraph:

“(5) In the case of a man who became entitled to old-age insurance benefits and died before the month in which he attained age 65, the Secretary shall recompute his primary insurance amount as provided in subsection (a) as though he became entitled to old-age insurance benefits in the month in which he died; except that (i) his computation base years referred to in subsection (b) (2) shall include the year in which he died, and (ii) his elapsed years referred to in subsection (b) (3) shall not include the year in which he died or any year thereafter. Such recomputation of such primary insurance amount shall be effective for and after the month in which he died.”

(7) (A) The amendments made by paragraphs (4) and (5) shall apply with respect to recomputations made under section 215(f) (2) of the Social Security Act after the date of the enactment of this Act.

(B) The amendment made by paragraph (6) shall apply with respect to individuals who die after the date of enactment of this Act.

(8) In any case in which—

(A) any person became entitled to a monthly benefit under section 202 or 223 of the Social Security Act after the date of enactment of this Act and before February 1968, and

42 USC 402,
423.

(B) the primary insurance amount on which the amount of such benefit is based was determined by applying section 215(d) of the Social Security Act as amended by this Act,

Ante, p. 864.

such primary insurance amount shall, for purposes of section 215(c) of the Social Security Act, as amended by this Act, be deemed to have been computed on the basis of the Social Security Act in effect prior to the enactment of this Act.

Ante, p. 827.

(9) The amendment made by paragraphs (1) and (2) shall not apply with respect to monthly benefits for any month prior to January 1967.

(b) (1) Section 213 of the Social Security Act is amended by adding at the end thereof the following new subsection:

64 Stat. 504.
42 USC 413.

"Alternative Method for Determining Quarters of Coverage With
Respect to Wages in the Period from 1937 to 1950"

75 Stat. 137.
42 USC 414.

Ante, p. 864.

"(c) For purposes of section 214(a), an individual shall be deemed to have one quarter of coverage for each \$400 of his total wages prior to 1951 (as defined in section 215(d)(1)(C)), except where—

"(1) such individual is not a fully insured individual on the basis of the number of quarters of coverage so derived plus the number of quarters of coverage derived from the wages and self-employment income credited to him for periods after 1950, or

"(2) such individual's elapsed years (for purposes of section 214(a)(1)) are less than 7."

(2) The amendment made by paragraph (1) shall apply only in the case of an individual who applies for benefits under section 202(a) of the Social Security Act after the date of the enactment of this Act, or who dies after such date without being entitled to benefits under section 202(a) or 223 of the Social Security Act.

(c) Section 303(g)(1) of the Social Security Amendments of 1960 is amended—

(1) by striking out "section 302 of" and by striking out "Amendments of 1965" and inserting in lieu thereof "Amendments of 1965 and 1967" in the first sentence; and

(2) by striking out "after 1965, or dies after 1965" and inserting in lieu thereof "after the date of the enactment of the Social Security Amendments of 1967, or dies after such date", and by striking out "Amendments of 1965" and inserting in lieu thereof "Amendments of 1967", in the second sentence.

42 USC 402,
423.
74 Stat. 964;
79 Stat. 366.
42 USC 415
note.

DEFINITIONS OF WIDOW, WIDOWER, AND STEPCHILD

72 Stat. 1027.
42 USC 416.

SEC. 156. (a) Section 216 (c) of the Social Security Act is amended by striking out "not less than one year" in clause (5) and inserting in lieu thereof "not less than nine months".

(b) The first sentence of section 216 (e) of such Act is amended by striking out "the day on which such individual died" and inserting in lieu thereof "not less than nine months immediately preceding the day on which such individual died".

(c) Section 216 (g) of such Act is amended by striking out "not less than one year" in clause (5) and inserting in lieu thereof "not less than nine months".

(d) Section 216 of such Act is further amended by adding at the end thereof the following new subsection:

"Waiver of Nine-Month Requirement for Widow, Stepchild, or
Widower in Case of Accidental Death or in Case of Serviceman
Dying in Line of Duty

"(k) The requirement in clause (5) of subsection (c) or clause (5) of subsection (g) that the surviving spouse of an individual have been married to such individual for a period of not less than nine months immediately prior to the day on which such individual died in order to qualify as such individual's widow or widower, and the requirement in subsection (e) that the stepchild of a deceased individual have been such stepchild for not less than nine months immediately preceding the day on which such individual died in order to qualify as such individual's child, shall be deemed to be satisfied, where such individual dies within the applicable nine-month period, if his death—

"(1) is accidental, or

Supra.

64 Stat. 510;
74 Stat. 994.

"(2) occurs in line of duty while he is a member of a uniformed service serving on active duty (as defined in section 210(1)(2)), and he would satisfy such requirement if a three-month period were substituted for the nine-month period; except that this subsection shall not apply if the Secretary determines that at the time of the marriage involved the individual could not have reasonably been expected to live for nine months. For purposes of paragraph (1) of the preceding sentence, the death of an individual is accidental if he receives bodily injuries solely through violent, external, and accidental means and, as a direct result of the bodily injuries and independently of all other causes, loses his life not later than three months after the day on which he receives such bodily injuries."

42 USC 410.

(e) The amendments made by this section shall apply with respect to monthly benefits under title II of the Social Security Act for months after January 1968, but only on the basis of applications filed in or after the month in which this Act is enacted.

42 USC 401-428; Ante, p. 833.

HUSBAND'S AND WIDOWER'S INSURANCE BENEFITS WITHOUT REQUIREMENT OF WIFE'S CURRENTLY INSURED STATUS

SEC. 157. (a) (1) Section 202(c)(1) of the Social Security Act is amended by striking out "a currently insured individual (as defined in section 214(b))" in the matter preceding subparagraph (A) and inserting in lieu thereof "an individual!".

64 Stat. 483.
42 USC 402.

(2) Section 202(c)(2) of such Act is amended by striking out "The requirement in paragraph (1) that the individual entitled to old-age or disability insurance benefits be a currently insured individual, and the provisions of subparagraph (C) of such paragraph," and inserting in lieu thereof "The provisions of subparagraph (C) of paragraph (1)".

72 Stat. 1026.

(b) (1) Section 202(f)(1) of such Act is amended—

64 Stat. 485.

(A) by striking out "and currently" in the matter preceding subparagraph (A), and

(B) by striking out "and she was a currently insured individual," in subparagraph (D) (ii).

72 Stat. 1023.

(2) Section 202(f)(2) of such Act is amended by striking out "The requirement in paragraph (1) that the deceased fully insured individual also be a currently insured individual, and the provisions of subparagraph (D) of such paragraph," and inserting in lieu thereof "The provisions of subparagraph (D) of paragraph (1)".

(c) In the case of any husband who would not be entitled to husband's insurance benefits under section 202(c) of the Social Security Act or any widower who would not be entitled to widower's insurance benefits under section 202(f) of such Act except for the enactment of this section, the requirement in section 202(c)(1)(C) or 202(f)(1)(D) of such Act relating to the time within which proof of support must be filed shall not apply if such proof of support is filed within two years after the month following the month in which this Act is enacted.

(d) The amendments made by this section shall apply with respect to monthly benefits payable under title II of the Social Security Act for months after January 1968, but only on the basis of applications filed in or after the month in which this Act is enacted.

DEFINITION OF DISABILITY

SEC. 158. (a) Section 223(c) of the Social Security Act is amended—

70 Stat. 815.
42 USC 423.

(1) by inserting "of Insured Status and Waiting Period" after "Definitions" in the heading;

70 Stat. 815;
79 Stat. 367, 413.
42 USC 423.

- (2) by striking out paragraph (2); and
(3) by redesignating paragraph (3) as paragraph (2).

(b) Section 223 of such Act is further amended by adding at the end thereof the following new subsection:

“Definition of Disability

“(d) (1) The term ‘disability’ means—

“(A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or

“(B) in the case of an individual who has attained the age of 55 and is blind (within the meaning of ‘blindness’ as defined in section 216(i)(1)), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

“(2) For purposes of paragraph (1)(A)—

“(A) an individual (except a widow, surviving divorced wife, or widower for purposes of section 202 (e) or (f)) shall be determined to be under a disability only if his physical or mental impairment or impairments are of such severity that he is not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for work. For purposes of the preceding sentence (with respect to any individual), ‘work which exists in the national economy’ means work which exists in significant numbers either in the region where such individual lives or in several regions of the country.

“(B) A widow, surviving divorced wife, or widower shall not be determined to be under a disability (for purposes of section 202 (e) or (f)) unless his or her physical or mental impairment or impairments are of a level of severity which under regulations prescribed by the Secretary is deemed to be sufficient to preclude an individual from engaging in any gainful activity.

“(3) For purposes of this subsection, a ‘physical or mental impairment’ is an impairment that results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

“(4) The Secretary shall by regulations prescribe the criteria for determining when services performed or earnings derived from services demonstrate an individual’s ability to engage in substantial gainful activity. Notwithstanding the provisions of paragraph (2), an individual whose services or earnings meet such criteria shall, except for purposes of section 222(c), be found not to be disabled.

“(5) An individual shall not be considered to be under a disability unless he furnishes such medical and other evidence of the existence thereof as the Secretary may require.”

(c) (1) Section 202(d)(1)(B) of such Act is amended by striking out “section 223(c)” and inserting in lieu thereof “section 223(d)”.

(2) Paragraphs (1), (2), and (3) of section 202(s) of such Act are each amended by striking out “section 223(c)” and inserting in lieu thereof “section 223(d)”.

42 USC 416.

42 USC 402.

“Physical or
mental impair-
ment.”

42 USC 422.

79 Stat. 370.
42 USC 402.

(3) Section 221(a) of such Act is amended by striking out “or 223(c)” and inserting in lieu thereof “or 223(d)”.

70 Stat. 818.
42 USC 421.

(4) Section 221(c) of such Act is amended by striking out “or 223(c)” and inserting in lieu thereof “or 223(d)”.

(5) Section 222(c)(4)(B) of such Act is amended by striking out “section 223(c)(2)” and inserting in lieu thereof “section 223(d)”.

74 Stat. 968.
42 USC 422.

(6) Section 223(a)(1)(D) of such Act is amended by striking out “subsection (c)(2)” and inserting in lieu thereof “subsection (d)”.

70 Stat. 815.
42 USC 423.

(7) The first sentence of section 223(a)(1) of such Act is further amended by striking out “subsection (c)(3)” and inserting in lieu thereof “subsection (c)(2)”.

(8) The last sentence of section 223(a)(1) is amended by striking out “subsection (c)(2) except for subparagraph (B) thereof” and inserting in lieu thereof “subsection (d) except for paragraph (1)(B) thereof”.

79 Stat. 413.
42 USC 423.

(9) Section 225 of such Act is amended by striking out “section 223(c)(2)” and inserting in lieu thereof “section 223(d)”.

70 Stat. 817.
42 USC 425.

(d) Section 216(i)(1) of such Act is amended by striking out the third sentence and inserting in lieu thereof the following: “The provisions of paragraphs (2)(A), (3), (4), and (5) of section 223(d) shall be applied for purposes of determining whether an individual is under a disability within the meaning of the first sentence of this paragraph in the same manner as they are applied for purposes of paragraph (1) of such section.”

68 Stat. 1080.
42 USC 416.

Ante, p. 868.

(e) The amendments made by this section shall be effective with respect to applications for disability insurance benefits under section 223 of the Social Security Act, and for disability determinations under section 216(i) of such Act, filed—

(1) in or after the month in which this Act is enacted, or

(2) before the month in which this Act is enacted if the applicant has not died before such month and if—

(A) notice of the final decision of the Secretary of Health, Education, and Welfare has not been given to the applicant before such month; or

(B) the notice referred to in subparagraph (A) has been so given before such month but a civil action with respect to such final decision is commenced under section 205(g) of the Social Security Act (whether before, in, or after such month) and the decision in such civil action has not become final before such month.

53 Stat. 1370.
42 USC 405.

DISABILITY BENEFITS AFFECTED BY RECEIPT OF WORKMEN'S COMPENSATION

SEC. 159. (a)(1) The last sentence of section 224(a) of the Social Security Act is amended by inserting after “his wages and self-employment income” where it first appears in clause (B) the following: “(computed without regard to the limitations specified in sections 209(a) and 211(b)(1))”.

79 Stat. 406.
42 USC 424a.

(2) Section 224(a) of such Act is further amended by adding at the end thereof the following: “In any case where an individual's wages and self-employment income reported to the Secretary for a calendar year reach the limitations specified in sections 209(a) and 211(b)(1), the Secretary under regulations shall estimate the total of such wages and self-employment income for purposes of clause (B) of the preceding sentence on the basis of such information as may be available to him indicating the extent (if any) by which such wages and self-employment income exceed such limitations.”

42 USC 409,
411.

(b)(1) The amendments made by subsection (a) shall apply only with respect to monthly benefits under title II of the Social Security Act for months after January 1968.

42 USC 401-
428; *Ante*, p. 833.

79 Stat. 407.
42 USC 424a.

(2) For purposes of any redetermination which is made under section 224 (f) of the Social Security Act in the case of benefits subject to reduction under section 224 of such Act, where such reduction as first computed was effective with respect to benefits for the month in which this Act is enacted or a prior month, the amendments made by subsection (a) of this section shall also be deemed to have applied in the initial determination of the "average current earnings" of the individual whose wages and self-employment income are involved.

EXTENSION OF TIME FOR FILING REPORTS OF EARNINGS

72 Stat. 1033;
74 Stat. 955.
42 USC 403.

SEC. 160. (a) Section 203(h)(1)(A) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The Secretary may grant a reasonable extension of time for making the report of earnings required in this paragraph if he finds that there is valid reason for a delay, but in no case may the period be extended more than three months."

68 Stat. 1076;
74 Stat. 955.

(b) Section 203(h)(2) of such Act is amended by striking out "within the time prescribed therein" and inserting in lieu thereof "within the time prescribed by or in accordance with such paragraph"

PENALTIES FOR FAILURE TO FILE TIMELY REPORTS OF EARNINGS AND OTHER EVENTS

42 USC 402.

SEC. 161. (a) Section 203(h)(2)(A) of the Social Security Act is amended by inserting before the semicolon at the end thereof the following: ", except that if the deduction imposed under subsection (b) by reason of his earnings for such year is less than the amount of his benefit (or benefits) for the last month of such year for which he was entitled to a benefit under section 202, the additional deduction shall be equal to the amount of the deduction imposed under subsection (b) but not less than \$10".

(b) Section 203(g) of such Act is amended by striking out all that follows "shall suffer" and inserting in lieu thereof the following: "deductions in addition to those imposed under subsection (c) as follows:

"(1) if such failure is the first one with respect to which an additional deduction is imposed by this subsection, such additional deduction shall be equal to his benefit or benefits for the first month of the period for which there is a failure to report even though such failure is with respect to more than one month;

"(2) if such failure is the second one with respect to which an additional deduction is imposed by this subsection, such additional deduction shall be equal to two times his benefit or benefits for the first month of the period for which there is a failure to report even though such failure is with respect to more than two months; and

"(3) if such failure is the third or a subsequent one for which an additional deduction is imposed under this subsection, such additional deduction shall be equal to three times his benefit or benefits for the first month of the period for which there is a failure to report even though the failure to report is with respect to more than three months;

except that the number of additional deductions required by this subsection shall not exceed the number of months in the period for which there is a failure to report. As used in this subsection, the term 'period for which there is a failure to report' with respect to any individual means the period for which such individual received and accepted insurance benefits under section 202 without making a timely report and for which deductions are required under subsection (c)."

"Period for which there is a failure to report."

42 USC 402.

(c) The amendments made by this section shall apply with respect to any deductions imposed on or after the date of the enactment of this Act under subsections (g) and (h) of section 203 of the Social Security Act on account of failure to make a report required thereby.

42 USC 403.

LIMITATION ON PAYMENT OF BENEFITS TO ALIENS OUTSIDE
THE UNITED STATES

SEC. 162. (a) (1) Section 202(t)(1) of the Social Security Act is amended by adding at the end thereof (after and below subparagraph (B)) the following new sentence: "For purposes of the preceding sentence, after an individual has been outside the United States for any period of thirty consecutive days he shall be treated as remaining outside the United States until he has been in the United States for a period of thirty consecutive days."

70 Stat. 835.
42 USC 402.

(2) The amendment made by paragraph (1) shall apply only with respect to six-month periods (within the meaning of section 202(t)(1)(A) of the Social Security Act) which begin after the date of the enactment of this Act.

(b) (1) Section 202(t)(4) of such Act is amended—

(A) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon; and

(B) by adding at the end thereof (after and below subparagraph (E)) the following:

"except that subparagraphs (A) and (B) of this paragraph shall not apply in the case of any individual who is a citizen of a foreign country that has in effect a social insurance or pension system which is of general application in such country and which satisfies subparagraph (A) but not subparagraph (B) of paragraph (2), or who is a citizen of a foreign country that has no social insurance or pension system of general application if at any time within five years prior to the month in which the Social Security Amendments of 1967 are enacted (or the first month thereafter for which his benefits are subject to suspension under paragraph (1)) payments to individuals residing in such country were withheld by the Treasury Department under the first section of the Act of October 9, 1940 (31 U.S.C. 123)."

70 Stat. 835;
72 Stat. 1783.

(2) The amendment made by paragraph (1) shall apply only with respect to monthly benefits under title II of the Social Security Act for months beginning after June 30, 1968.

54 Stat. 1086;
56 Stat. 1028.

(c) (1) Section 202(t) of such Act is further amended by adding at the end thereof the following new paragraph:

42 USC 401-428;
Ante, p. 833.

"(10) Notwithstanding any other provision of this title, no monthly benefits shall be paid under this section or under section 223, for any month beginning after June 30, 1968, to an individual who is not a citizen or national of the United States and who resides during such month in a foreign country if payments for such month to individuals residing in such country are withheld by the Treasury Department under the first section of the Act of October 9, 1940 (31 U.S.C. 123)."

70 Stat. 835;
79 Stat. 334.

(2) Section 202(t)(6) of such Act is amended by striking out "by reason of paragraph (1)" and inserting in lieu thereof "by reason of paragraph (1) or (10)".

(3) Whenever benefits which an individual who is not a citizen or national of the United States was entitled to receive under title II of the Social Security Act are, on June 30, 1968, being withheld by the Treasury Department under the first section of the Act of October 9, 1940 (31 U.S.C. 123), any such benefits, payable to such individual

for months after the month in which the determination by the Treasury Department that the benefits should be so withheld was made, shall not be paid—

(A) to any person other than such individual, or, if such individual dies before such benefits can be paid, to any person other than an individual who was entitled for the month in which the deceased individual died (with the application of section 202(j)(1) of the Social Security Act) to a monthly benefit under title II of such Act on the basis of the same wages and self-employment income as such deceased individual, or

(B) in excess of the equivalent of the last twelve months' benefits that would have been payable to such individual.

42 USC 401-428; *Ante*, p. 833.

BENEFITS FOR CERTAIN CHILDREN

SEC. 163. (a) (1) The last sentence of section 203(a) of the Social Security Act is amended to read as follows: "Whenever a reduction is made under this subsection in the total of monthly benefits to which individuals are entitled for any month on the basis of the wages and self-employment income of an insured individual, each such benefit other than the old-age or disability insurance benefit shall be proportionately decreased; except that if such total of benefits for such month includes any benefit or benefits under section 202(d) which are payable solely by reason of section 216(h)(3), the reduction shall be first applied to reduce (proportionately where there is more than one benefit so payable) the benefits so payable (but not below zero)."

72 Stat. 1017.
42 USC 403.

42 USC 402.
42 USC 416.

(2) The amendment made by paragraph (1) shall apply only with respect to monthly benefits payable under title II of the Social Security Act with respect to individuals who become entitled to benefits under section 202(d) of such Act solely by reason of section 216(h)(3) of such Act in or after January 1968 (but without regard to section 202(j)(1) of such Act). The provisions of section 170 of this Act shall not apply with respect to any such individual.

(b) Where—

(1) one or more persons were entitled (without the application of section 202(j)(1) of the Social Security Act) to monthly benefits under section 202 or 223 of such Act for January 1968 on the basis of the wages and self-employment income of an individual, and

42 USC 423.

(2) one or more persons became entitled to monthly benefits before January 1968 under section 202(d) of such Act by reason of section 216(h)(3) of such Act (but without regard to section 202(j)(1)), on the basis of such wages and self-employment income and are so entitled for January 1968, and

(3) the total of benefits to which all persons are entitled under such section 202 or 223 of such Act on the basis of such wages and self-employment for January 1968 are reduced by reason of section 203(a) of such Act, as amended by this Act (or would, but for the penultimate sentence of such section 203(a), be so reduced),

then the amount of the benefit to which each such person referred to in paragraph (1) above (but not including persons referred to in paragraph (2) above) is entitled for months after January 1968 shall be increased, after the application of such section 203(a), to the amount it would have been if the person or persons referred to in paragraph (2) were not entitled to a benefit referred to in such paragraph (2).

TRANSFER TO HEALTH INSURANCE BENEFITS ADVISORY COUNCIL OF
NATIONAL MEDICAL REVIEW COMMITTEE FUNCTIONS; INCREASE IN
COUNCIL'S MEMBERSHIP

SEC. 164. (a) Section 1867 of the Social Security Act is amended to read as follows:

79 Stat. 329.
42 USC 1395dd.

"HEALTH INSURANCE BENEFITS ADVISORY COUNCIL

"SEC. 1867. (a) There is hereby created a Health Insurance Benefits Advisory Council which shall consist of 19 persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Secretary shall from time to time appoint one of the members to serve as Chairman. The members shall include persons who are outstanding in fields related to hospital, medical, and other health activities, persons who are representative of organizations and associations of professional personnel in the field of medicine, and at least one person who is representative of the general public. Each member shall hold office for a term of 4 years, except that 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. A member shall not be eligible to serve continuously for more than 2 terms. The Secretary may, at the request of the Advisory Council or otherwise, appoint such special advisory professional or technical committees as may be useful in carrying out this title. Members of the Advisory Council and members of any such advisory or technical committee, while attending meetings or conferences thereof or otherwise serving on business of the Advisory Council or of such committee, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, 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 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Advisory Council shall meet as frequently as the Secretary deems necessary. Upon request of 5 or more members, it shall be the duty of the Secretary to call a meeting of the Advisory Council.

Membership.

80 Stat. 417.
5 USC 3301 et
seq.

Term of office.

Compensation,
travel expenses.

80 Stat. 499.

Duties.

"(b) It shall be the function of the Advisory Council (1) to advise the Secretary on matters of general policy in the administration of this title and in the formulation of regulations under this title, and (2) to study the utilization of hospital and other medical care and services for which payment may be made under this title with a view to recommending any changes which may seem desirable in the way in which such care and services are utilized or in the administration of the programs established by this title, or in the provisions of this title. The Advisory Council shall make an annual report to the Secretary on the performance of its functions, including any recommendations it may have with respect thereto, and such report shall be transmitted promptly by the Secretary to the Congress.

Report to
Congress.

"(c) The Advisory Council is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Advisory Council such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare as the Advisory Council may require to carry out its functions."

(b) The amendment made by subsection (a) shall not be construed as affecting the terms of office of the members of the Health Insurance

Benefits Advisory Council in office on the date of the enactment of this Act or their successors. The terms of office of the three additional members of the Health Insurance Benefits Advisory Council first appointed pursuant to the increase in the membership of such Council provided by such amendment shall expire, as designated by the Secretary at the time of appointment, one at the end of the first year, one at the end of the second year, and one at the end of the third year after the date of appointment.

(c) Section 1868 of the Social Security Act is repealed.

Repeal.
79 Stat. 329.
42 USC 1395ee.

ADVISORY COUNCIL ON SOCIAL SECURITY

SEC. 165. (a) (1) Section 706(a) of the Social Security Act is amended by striking out "During 1968 and every fifth year thereafter" and inserting in lieu thereof "During 1969 (but not before February 1, 1969) and every fourth year thereafter (but not before February 1 of such fourth year)".

79 Stat. 339.
42 USC 907.

(2) Section 706(d) such Act is amended by striking out "reports of its" and inserting in lieu thereof "reports (including any interim reports such Council may have issued) of its".

(b) Section 706(b) of such Act is amended by striking out "shall consist of the Commissioner of Social Security, as Chairman, and 12 other persons, appointed by the Secretary" and inserting in lieu thereof "shall consist of a Chairman and 12 other persons, appointed by the Secretary".

REIMBURSEMENT OF CIVIL SERVICE RETIREMENT ANNUITANTS FOR CERTAIN PREMIUM PAYMENTS UNDER SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

SEC. 166. Section 1840(e) (1) of the Social Security Act is amended by adding at the end thereof the following new sentence: "A plan described in section 8903 of title 5, United States Code, may reimburse each annuitant enrolled in such plan an amount equal to the premiums paid by him under this part if such reimbursement is paid entirely from funds of such plan which are derived from sources other than the contributions described in section 8906 of such title."

42 USC 1395s.
80 Stat. 602.

APPROPRIATIONS TO SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND

SEC. 167. (a) Section 1844 (a) of the Social Security Act is amended to read as follows:

79 Stat. 313.
42 USC 1395w.

"(a) There are authorized to be appropriated from time to time, out of any moneys in the Treasury not otherwise appropriated, to the Federal Supplementary Medical Insurance Trust Fund—

42 USC 1395t.

"(1) a Government contribution equal to the aggregate premiums payable under this part and deposited in the Trust Fund, and

"(2) such sums as the Secretary deems necessary to place the Trust Fund, at the end of any fiscal year occurring after June 30, 1967, in the same position in which it would have been at the end of such fiscal year if (A) a Government contribution representing the excess of the premiums deposited in the Trust Fund during the fiscal year ending June 30, 1967, over the Government contribution actually appropriated to the Trust Fund during such fiscal year had been appropriated to it on June 30, 1967, and (B) the Government contribution for premiums deposited in the Trust Fund after June 30, 1967, had been appropriated to it when such premiums were deposited."

(b) Section 1844(b) of such Act is amended by striking out "1967" and inserting in lieu thereof "1969".

DISCLOSURE TO COURTS OF WHEREABOUTS OF CERTAIN INDIVIDUALS

SEC. 168. (a) Section 1106(c)(1) of the Social Security Act is amended by inserting "(A)" after "(c)(1)", by redesignating subparagraphs (A) through (D) as clauses (i) through (iv), respectively, and by adding at the end thereof the following new subparagraph:

79 Stat. 411.
42 USC 1306.

"(B) If a request for the most recent address of any individual so included is filed (in accordance with paragraph (2) of this subsection) by a court having jurisdiction to issue orders or entertain petitions against individuals for the support and maintenance of their children, the Secretary shall furnish such address, or the address of the individual's most recent employer, or both, for the use of the court (and for no other purpose) in issuing or determining whether to issue such an order against such individual or in determining (in the event such individual is not within the jurisdiction of the court) the court to which a petition for support and maintenance against such individual should be forwarded under any reciprocal arrangements with other States to obtain or improve court orders for support, if the court certifies that the information is requested for such use."

(b) (1) Section 1106(c)(2) of such Act is amended by striking out "and shall be accompanied" and all that follows and inserting in lieu thereof "(and, in the case of a request under paragraph (1) (A), shall be accompanied by a certified copy of the order referred to in clauses (i) and (iv) thereof)."

(2) Section 1106(c)(3) of such Act is amended by striking out "authorized by subparagraph (D) thereof" and inserting in lieu thereof "authorized by subparagraph (A) (iv) or (B) thereof".

REPORTS OF BOARDS OF TRUSTEES TO CONGRESS

SEC. 169. (a) Sections 201(c)(2), 1817(b)(2), and 1841(b)(2) of the Social Security Act are each amended by striking out "March" and inserting in lieu thereof "April".

70 Stat. 821;
79 Stat. 300, 308.
42 USC 401,
13951, 1395t.

(b) Section 201(c) of such Act is amended by inserting immediately before the last sentence the following new sentence: "Such report shall also include an actuarial analysis of the benefit disbursements made from the Federal Old-Age and Survivors Insurance Trust Fund with respect to disabled beneficiaries."

GENERAL SAVING PROVISION

SEC. 170. Where—

(1) one or more persons were entitled (without the application of section 202(j)(1) of the Social Security Act) to monthly benefits under section 202 or 223 of such Act for January 1968 on the basis of the wages and self-employment income of an individual, and

64 Stat. 487.
42 USC 402.
42 USC 423.

(2) one or more persons (not included in paragraph (1)) become entitled to monthly benefits under such section 202 for February 1968 on the basis of such wages and self-employment by reason of the amendments made to such Act by sections 104, 112, 150, 151, 156, and 157 of this Act, and

(3) the total of benefits to which all persons are entitled under such section 202 or 223 on the basis of such wages and self-employment for February 1968 are reduced by reason of section 203(a) of such Act, as amended by this Act (or would, but for the penultimate sentence of such section 203(a), be so reduced), then the amount of the benefit to which each such person referred to in paragraph (1) is entitled for months after January 1968 shall be increased, after the application of such section 203(a), to the amount

it would have been if the person or persons referred to in paragraph (2) were not entitled to a benefit referred to in such paragraph.

EXPEDITED BENEFIT PAYMENTS

42 USC 405.

SEC. 171. (a) Section 205 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Expedited Benefit Payments

"(q) (1) The Secretary shall establish and put into effect procedures under which expedited payment of monthly insurance benefits under this title will, subject to paragraph (4) of this subsection, be made as set forth in paragraphs (2) and (3) of this subsection.

"(2) In any case in which—

"(A) an individual makes an allegation that a monthly benefit under this title was due him in a particular month but was not paid to him, and

"(B) such individual submits a written request for the payment of such benefit—

"(i) in the case of an individual who received a regular monthly benefit in the month preceding the month with respect to which such allegation is made, not less than 30 days after the 15th day of the month with respect to which such allegation is made (and in the event that such request is submitted prior to the expiration of such 30-day period, it shall be deemed to have been submitted upon the expiration of such period), and

"(ii) in any other case, not less than 90 days after the later of (I) the date on which such benefit is alleged to have been due, or (II) the date on which such individual furnished the last information requested by the Secretary (and such written request will be deemed to be filed on the day on which it was filed, or the ninetieth day after the first day on which the Secretary has evidence that such allegation is true, whichever is later),

the Secretary shall, if he finds that benefits are due, certify such benefits for payment, and payment shall be made within 15 days immediately following the date on which the written request is deemed to have been filed.

"(3) In any case in which the Secretary determines that there is evidence, although additional evidence might be required for a final decision, that an allegation described in paragraph (2) (A) is true, he may make a preliminary certification of such benefit for payment even though the 30-day or 90-day periods described in paragraph (2) (B) (i) and (B) (ii) have not elapsed.

"(4) Any payment made pursuant to a certification under paragraph (3) of this subsection shall not be considered an incorrect payment for purposes of determining the liability of the certifying or disbursing officer.

"(5) For purposes of this subsection, benefits payable under section 228 shall be treated as monthly insurance benefits payable under this title. However, this subsection shall not apply with respect to any benefit for which a check has been negotiated, or with respect to any benefit alleged to be due under either section 223, or section 202 to a wife, husband, or child of an individual entitled to or applying for benefits under section 223, or to a child who has attained age 18 and is under a disability, or to a widow or widower on the basis of being under a disability."

42 USC 428.

42 USC 423,
402.

(b) The amendment made by subsection (a) of this section shall be effective with respect to written requests filed under section 205(q) of the Social Security Act after June 30, 1968.

DEFINITION OF BLINDNESS

SEC. 172. (a) The first sentence of section 216(i) (1) of the Social Security Act is amended by striking out "(B)" and all that follows and inserting in lieu thereof "(B) blindness; and the term 'blindness' means central visual acuity of 20/200 or less in the better eye with the use of a correcting lens."

42 USC 416.

(b) The second sentence of section 216(i) (1) of such Act is amended to read as follows: "An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for purposes of this paragraph as having a central visual acuity of 20/200 or less."

(c) The amendments made by this section shall be effective with respect to benefits under section 223 of the Social Security Act for months after January 1968 based on applications filed after the date of enactment of this Act and with respect to disability determinations under section 216(i) of the Social Security Act based on applications filed after the date of enactment of this Act.

42 USC 423.

ATTORNEYS FEES FOR CLAIMANTS

SEC. 173. Section 206(a) of the Social Security Act is amended by inserting, immediately before the last sentence thereof, the following new sentences: "Whenever the Secretary, in any claim before him for benefits under this title, makes a determination favorable to the claimant, he shall, if the claimant was represented by an attorney in connection with such claim, fix (in accordance with the regulations prescribed pursuant to the preceding sentence) a reasonable fee to compensate such attorney for the services performed by him in connection with such claim. If as a result of such determination, such claimant is entitled to past-due benefits under this title, the Secretary shall, notwithstanding section 205(i), certify for payment (out of such past-due benefits) to such attorney an amount equal to whichever of the following is the smaller: (A) 25 per centum of the total amount of such past-due benefits, (B) the amount of the attorney's fee so fixed, or (C) the amount agreed upon between the claimant and such attorney as the fee for such attorney's services."

42 USC 406.

42 USC 405.

TITLE II—PUBLIC WELFARE AMENDMENTS

PART 1—PUBLIC ASSISTANCE AMENDMENTS

PROGRAMS OF SERVICES FURNISHED TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 201. (a) (1) Section 402(a) of the Social Security Act (as amended by section 202(a) of this Act) is amended by—

Post. p. 881.

(A) striking out "and" at the end of clause (13);

(B) striking out clause (14), including the period at the end thereof, and inserting in lieu thereof the following: "(14) provide for the development and application of a program for such family services, as defined in section 406(d), and child-welfare services, as defined in section 425, for each child and relative who receives aid to families with dependent children, and each appropriate individual (living in the same home as a relative and

Post. p. 880.

Post. p. 914.

child receiving such aid whose needs are taken into account in making the determination under clause (7)), as may be necessary in the light of the particular home conditions and other needs of such child, relative, and individual, in order to assist such child, relative, and individual to attain or retain capability for self-support and care and in order to maintain and strengthen family life and to foster child development;"; and

(C) adding after clause (14) the following new clauses: "(15) provide—

"(A) for the development of a program for each appropriate relative and dependent child receiving aid under the plan, and each appropriate individual (living in the same home as a relative and child receiving such aid) whose needs are taken into account in making the determination under clause (7), with the objective of—

"(i) assuring, to the maximum extent possible, that such relative, child, and individual will enter the labor force and accept employment so that they will become self-sufficient, and

"(ii) preventing or reducing the incidence of births out of wedlock and otherwise strengthening family life,

"(B) for the implementation of such programs by—

"(i) assuring that such relative, child, or individual who is referred to the Secretary of Labor pursuant to clause (19) is furnished child-care services and that in all appropriate cases family planning services are offered them, and

"(ii) in appropriate cases, providing aid to families with dependent children in the form of payments of the types described in section 406(b)(2), and

"(C) that the acceptance by such child, relative, or individual of family planning services provided under the plan shall be voluntary on the part of such child, relative, or individual and shall not be a prerequisite to eligibility for or the receipt of any other service or aid under the plan,

"(D) for such review of each such program as may be necessary (as frequently as may be necessary, but at least once a year) to insure that it is being effectively implemented,

"(E) for furnishing the Secretary with such reports as he may specify showing the results of such programs, and

"(F) to the extent that such programs under this clause or clause (14) are developed and implemented by services furnished by the staff of the State agency or the local agency administering the State plan in each of the political subdivisions of the State, for the establishment of a single organizational unit in such State or local agency, as the case may be, responsible for the furnishing of such services;

(16) provide that where the State agency has reason to believe that the home in which a relative and child receiving aid reside is unsuitable for the child because of the neglect, abuse, or exploitation of such child it shall bring such condition to the attention of the appropriate court or law enforcement agencies in the State, providing such data with respect to the situation it may have; (17) provide—

"(A) for the development and implementation of a program under which the State agency will undertake—

"(i) in the case of a child born out of wedlock who is receiving aid to families with dependent children, to establish the paternity of such child and secure support for him, and

"(ii) in the case of any child receiving such aid who has been deserted or abandoned by his parent, to secure support

Post, p. 893.

Ante, p. 877.

for such child from such parent (or from any other person legally liable for such support), utilizing any reciprocal arrangements adopted with other States to obtain or enforce court orders for support, and

“(B) for the establishment of a single organizational unit in the State agency or local agency administering the State plan in each political subdivision which will be responsible for the administration of the program referred to in clause (A);

(18) provide for entering into cooperative arrangements with appropriate courts and law enforcement officials (A) to assist the State agency in administering the program referred to in clause (17) (A), including the entering into of financial arrangements with such courts and officials in order to assure optimum results under such program, and (B) with respect to any other matters of common concern to such courts or officials and the State agency or local agency administering the State plan.”

(2) Section 402(a)(13) of such Act (as redesignated by section 202(a) of this Act) is amended by striking out “(if any)”.

Post, p. 881.

(b) Section 402 of such Act is amended by adding at the end thereof the following new subsection:

“(c) The Secretary shall, on the basis of his review of the reports received from the States under clause (15) of subsection (a), compile such data as he believes necessary and from time to time publish his findings as to the effectiveness of the programs developed and administered by the States under such clause. The Secretary shall annually report to the Congress (with the first such report being made on or before July 1, 1970) on the programs developed and administered by each State under such clause (15).”

Report to Congress.

(c) Section 403(a)(3) of such Act is amended by striking out subparagraphs (A) and (B) and inserting in lieu thereof the following:

76 Stat. 175.
42 USC 603.

“(A) 75 per centum of so much of such expenditures as are for—

“(i) any of the services described in clauses (14) and (15) of section 402(a) which are provided to any child or relative who is receiving aid under the plan, or to any other individual (living in the same home as such relative and child) whose needs are taken into account in making the determination under clause (7) of such section,

Ante, p. 877.

“(ii) any of the services described in clauses (14) and (15) of section 402(a) which are provided to any child or relative who is applying for aid to families with dependent children or who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of such aid, or

“(iii) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus”.

(d) Section 403(a)(3) of such Act is further amended—

(1) (A) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively,

(B) by striking out “subparagraph (E)” in subparagraph (C) (as so redesignated) and inserting in lieu thereof “subparagraph (D)”, and

(C) by striking out “subparagraph (D)” in the matter following subparagraph (D) (as so redesignated) and inserting in lieu thereof “subparagraph (C)”;

(2) by striking out "subparagraphs (A) and (B)" in the sentence following subparagraph (B) (as redesignated by paragraph (1) of this subsection) and inserting in lieu thereof "subparagraph (A)";

(3) by inserting before the period at the end of the sentence following subparagraph (B) (as redesignated by paragraph (1) of this subsection) the following: "; and except that, to the extent specified by the Secretary, child-welfare services, family planning services, and family services may be provided from sources other than those referred to in subparagraphs (C) and (D)"; and

(4) by striking out "subparagraphs (B) and (C) apply" in the last sentence and inserting in lieu thereof "subparagraph (B) applies".

Repeal.

76 Stat. 176.
42 USC 603.

(e) (1) Section 403(c) of such Act is repealed.

(2) Section 403(a)(3) of such Act is amended by striking out "whose State plan approved under section 402 meets the requirements of subsection (c) (1)", and by striking out "; and" at the end and inserting in lieu thereof a period.

Repeal.

42 USC 608.

(3) Section 403(a)(4) of such Act is repealed.

(4) Section 408(d) of such Act is amended by striking out "and (4)".

(f) Section 406 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The term 'family services' means services to a family or any member thereof for the purpose of preserving, rehabilitating, reuniting, or strengthening the family, and such other services as will assist members of a family to attain or retain capability for the maximum self-support and personal independence."

49 Stat. 629;
64 Stat. 551.
42 USC 606.
"Family services."

(g) (1) The amendments made by subsections (a), (b), (d), (e), and (f) of this section shall be effective July 1, 1968 (or earlier if the State plan so provides); except that (A) if on the date of enactment of this Act the agency of a State referred to in section 402(a)(3) of the Social Security Act is different from the agency of such State responsible for administering the plan for child-welfare services developed pursuant to part B of title IV of the Social Security Act, the provisions of section 402(a)(15)(F) of such Act (added thereto by subsection (a) of this section) shall not apply with respect to such agencies but only so long as such agencies of the State are different, and (B) if on such date the local agency administering the plan of a State under part A of title IV of such Act in a political subdivision is different from the local agency in such subdivision administering the State's plan for child-welfare services developed pursuant to part B of title IV of such Act, the provisions of such section 402(a)(15)(F) shall not apply with respect to such agencies but only so long as such local agencies are different.

42 USC 602.

Post, p. 911.

(2) The amendment made by subsection (c) shall apply with respect to services furnished after June 30, 1968, or furnished after such earlier date as the State plan may provide with respect to the amendment made by paragraph (1) of this subsection.

(h) Notwithstanding subparagraph (A) of section 403(a)(3) of the Social Security Act (as amended by subsection (c) of this section), the rate specified in such subparagraph in the case of any State shall be 85 per centum (rather than 75 per centum) with respect to expenditures, for services furnished pursuant to clauses (14) and (15) of section 402(a) of such Act, made on or after the date of enactment of this Act, and prior to July 1, 1969.

Ante, p. 877.

EARNINGS EXEMPTION FOR RECIPIENTS OF AID TO FAMILIES WITH
DEPENDENT CHILDREN

SEC. 202. (a) Clauses (8) through (13) of section 402(a) of the Social Security Act are redesignated as clauses (9) through (14), respectively.

53 Stat. 1379;
76 Stat. 185.
42 USC 602.

(b) Effective July 1, 1969, section 402(a) of such Act is amended by striking out clause (7) and inserting in lieu thereof the following: “(7) except as may be otherwise provided in clause (8), provide that the State agency shall, in determining need, take into consideration any other income and resources of any child or relative claiming aid to families with dependent children, or of any other individual (living in the same home as such child and relative) whose needs the State determines should be considered in determining the need of the child or relative claiming such aid, as well as any expenses reasonably attributable to the earning of any such income; (8) provide that, in making the determination under clause (7), the State agency—

“(A) shall with respect to any month disregard—

“(i) all of the earned income of each dependent child receiving aid to families with dependent children who is (as determined by the State in accordance with standards prescribed by the Secretary) a full-time student or part-time student who is not a full-time employee attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment, and

“(ii) in the case of earned income of a dependent child not included under clause (i), a relative receiving such aid, and any other individual (living in the same home as such relative and child) whose needs are taken into account in making such determination, the first \$30 of the total of such earned income for such month plus one-third of the remainder of such income for such month; and

“(B) (i) may, subject to the limitations prescribed by the Secretary, permit all or any portion of the earned or other income to be set aside for future identifiable needs of a dependent child, and (ii) may, before disregarding the amounts referred to in subparagraph (A) and clause (i) of this subparagraph, disregard not more than \$5 per month of any income;

except that, with respect to any month, the State agency shall not disregard any earned income (other than income referred to in subparagraph (B)) of—

“(C) any one of the persons specified in clause (ii) of subparagraph (A) if such person—

“(i) terminated his employment or reduced his earned income without good cause within such period (of not less than 30 days) preceding such month as may be prescribed by the Secretary; or

“(ii) refused without good cause, within such period preceding such month as may be prescribed by the Secretary, to accept employment in which he is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined by the State or local agency administering the State plan, after notification by him, to be a bona fide offer of employment; or

“(D) any of such persons specified in clause (ii) of subparagraph (A) if with respect to such month the income of the persons so specified (within the meaning of clause (7)) was in excess of their need as determined by the State agency pursuant to

clause (7) (without regard to clause (8)), unless, for any one of the four months preceding such month, the needs of such persons were met by the furnishing of aid under the plan;”.

42 USC 602.

(c) A State whose plan under section 402 of the Social Security Act has been approved by the Secretary shall not be deemed to have failed to comply substantially with the requirements of section 402(a) (7) of such Act (as in effect prior to July 1, 1969) for any period beginning after December 31, 1967, and ending prior to July 1, 1969, if for such period the State agency disregards earned income of the individuals involved in accordance with the requirements specified in section 402(a) (7) and (8) of such Act as amended by this Act.

Ante, p. 881.

(d) Effective with respect to quarters beginning after June 30, 1968, in determining the need of individuals claiming aid under a State plan approved under part A of title IV of the Social Security Act, the State shall apply the provisions of such part notwithstanding any provisions of law (other than such Act) requiring the State to disregard earned income of such individuals in determining need under such State plan.

Post, p. 911.

DEPENDENT CHILDREN OF UNEMPLOYED FATHERS

75 Stat. 75.
42 USC 607.

SEC. 203. (a) Section 407 of the Social Security Act is amended to read as follows:

“DEPENDENT CHILDREN OF UNEMPLOYED FATHERS

“Dependent
child.”
42 USC 606.

“SEC. 407. (a) The term ‘dependent child’ shall, notwithstanding section 406(a), include a needy child who meets the requirements of section 406(a)(2), who has been deprived of parental support or care by reason of the unemployment (as determined in accordance with standards prescribed by the Secretary) of his father, and who is living with any of the relatives specified in section 406(a)(1) in a place of residence maintained by one or more of such relatives as his (or their) own home.

“(b) The provisions of subsection (a) shall be applicable to a State if the State’s plan approved under section 402—

“(1) requires the payment of aid to families with dependent children with respect to a dependent child as defined in subsection (a) when—

“(A) such child’s father has not been employed (as determined in accordance with standards prescribed by the Secretary) for at least 30 days prior to the receipt of such aid,

“(B) such father has not without good cause, within such period (of not less than 30 days) as may be prescribed by the Secretary, refused a bona fide offer of employment or training for employment, and

“(C) (i) such father has 6 or more quarters of work (as defined in subsection (d)(1)) in any 13-calendar-quarter period ending within one year prior to the application for such aid or (ii) he received unemployment compensation under an unemployment compensation law of a State or of the United States, or he was qualified (within the meaning of subsection (d)(3)) for unemployment compensation under the unemployment compensation law of the State, within one year prior to the application for such aid; and

“(2) provides—

“(A) for such assurances as will satisfy the Secretary that fathers of dependent children as defined in subsection (a) will be referred to the Secretary of Labor as provided in sec-

tion 402(a)(19) within thirty days after receipt of aid with respect to such children;

Post, p. 890.

“(B) for entering into cooperative arrangements with the State agency responsible for administering or supervising the administration of vocational education in the State, designed to assure maximum utilization of available public vocational education services and facilities in the State in order to encourage the retraining of individuals capable of being retrained; and

“(C) for the denial of aid to families with dependent children to any child or relative specified in subsection (a) if, and for as long as, such child’s father—

“(i) is not currently registered with the public employment offices in the State, or

“(ii) receives unemployment compensation under an unemployment compensation law of a State or of the United States.

“(c) Notwithstanding any other provisions of this section, expenditures pursuant to this section shall be excluded from aid to families with dependent children (A) where such expenditures are made under the plan with respect to any dependent child as defined in subsection (a), (i) for any part of the 30-day period referred to in subparagraph (A) of subsection (b)(1), or (ii) for any period prior to the time when the father satisfies subparagraph (B) of such subsection, and (B) if, and for as long as, no action is taken (after the 30-day period referred to in subparagraph (A) of subsection (b)(2)), under the program therein specified, to refer such father to the Secretary of Labor pursuant to section 402(a)(19).

“(d) For purposes of this section—

“(1) the term ‘quarter of work’ with respect to any individual means a calendar quarter in which such individual received earned income of not less than \$50 (or which is a ‘quarter of coverage’ as defined in section 213(a)(2)), or in which such individual participated in a community work and training program under section 409 or any other work and training program subject to the limitations in section 409, or the work incentive program established under part C;

“Quarter of work.”

42 USC 413.

76 Stat. 186.
42 USC 609.

Post, p. 884.
“Calendar quarter.”

“(2) the term ‘calendar quarter’ means a period of 3 consecutive calendar months ending on March 31, June 30, September 30, or December 31; and

“(3) an individual shall be deemed qualified for unemployment compensation under the State’s unemployment compensation law if—

“(A) he would have been eligible to receive such unemployment compensation upon filing application, or

“(B) he performed work not covered under such law and such work, if it had been covered, would (together with any covered work he performed) have made him eligible to receive such unemployment compensation upon filing application.”

(b) In the case of an application for aid to families with dependent children under a State plan approved under section 402 of such Act with respect to a dependent child as defined in section 407(a) of such Act (as amended by this section) within 6 months after the effective date of the modification of such State plan which provides for payments in accordance with section 407 of such Act as so amended, the father of such child shall be deemed to meet the requirements of subparagraph (C) of section 407(b)(1) of such Act (as so amended) if at any time after April 1961 and prior to the date of application such

father met the requirements of such subparagraph (C). For purposes of the preceding sentence, an individual receiving aid to families with dependent children (under section 407 of the Social Security Act as in effect before the enactment of this Act) for the last month ending before the effective date of the modification referred to in such sentence shall be deemed to have filed application for such aid under such section 407 (as amended by this section) on the day after such effective date.

Ante, p. 882.

(c) The amendment made by subsection (a) shall be effective January 1, 1968; except that no State which had in operation a program of aid with respect to children of unemployed parents under section 407 of the Social Security Act (as in effect prior to such amendment) in the calendar quarter commencing October 1, 1967, shall be required to include any additional child or family under its State plan approved under section 402 of such Act, by reason of the enactment of such amendment, prior to July 1, 1969.

42 USC 602.

WORK INCENTIVE PROGRAM FOR RECIPIENTS OF AID UNDER PART A OF
TITLE IV

SEC. 204. (a) Title IV of the Social Security Act is amended by inserting after part B (hereinafter added to such title by section 240 of this Act) the following material:

Post, p. 911.

"PART C—WORK INCENTIVE PROGRAM FOR RECIPIENTS OF AID UNDER
STATE PLAN APPROVED UNDER PART A

"PURPOSE

"SEC. 430. The purpose of this part is to require the establishment of a program utilizing all available manpower services, including those authorized under other provisions of law, under which individuals receiving aid to families with dependent children will be furnished incentives, opportunities, and necessary services in order for (1) the employment of such individuals in the regular economy, (2) the training of such individuals for work in the regular economy, and (3) the participation of such individuals in special work projects, thus restoring the families of such individuals to independence and useful roles in their communities. It is expected that the individuals participating in the program established under this part will acquire a sense of dignity, self-worth, and confidence which will flow from being recognized as a wage-earning member of society and that the example of a working adult in these families will have beneficial effects on the children in such families.

"APPROPRIATION

"SEC. 431. There is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare for each fiscal year a sum sufficient to carry out the purposes of this part. The Secretary of Health, Education, and Welfare shall transfer to the Secretary of Labor from time to time sufficient amounts, out of the moneys appropriated pursuant to this section, to enable him to carry out such purposes.

"ESTABLISHMENT OF PROGRAMS

"SEC. 432. (a) The Secretary of Labor (hereinafter in this part referred to as the Secretary) shall, in accordance with the provisions of this part, establish work incentive programs (as provided for in subsection (b)) in each State and in each political subdivision of a State in which he determines there is a significant number of individuals who

have attained age 16 and are receiving aid to families with dependent children. In other political subdivisions, he shall use his best efforts to provide such programs either within such subdivisions or through the provision of transportation for such persons to political subdivisions of the State in which such programs are established.

“(b) Such programs shall include, but shall not be limited to, (1) a program placing as many individuals as is possible in employment, and utilizing on-the-job training positions for others, (2) a program of institutional and work experience training for those individuals for whom such training is likely to lead to regular employment, and (3) a program of special work projects for individuals for whom a job in the regular economy cannot be found.

“(c) In carrying out the purposes of this part the Secretary may make grants to, or enter into agreements with, public or private agencies or organizations (including Indian tribes with respect to Indians on a reservation), except that no such grant or agreement shall be made to or with a private employer for profit or with a private non-profit employer not organized for a public purpose for purposes of the work experience program established by clause (2) of subsection (b).

“(d) Using funds appropriated under this part, the Secretary, in order to carry out the purposes of this part, shall utilize his authority under the Manpower Development and Training Act of 1962, the Act of June 6, 1933, as amended (48 Stat. 113), and other Acts, to the extent such authority is not inconsistent with this Act.

“(e) The Secretary shall take appropriate steps to assure that the present level of manpower services available under the authority of other statutes to recipients of aid to families with dependent children is not reduced as a result of programs under this part.

76 Stat. 23.
42 USC 2571
note.
29 USC 49-49k.

“OPERATION OF PROGRAM

“SEC. 433. (a) The Secretary shall provide a program of testing and counseling for all persons referred to him by a State, pursuant to section 402, and shall select those persons whom he finds suitable for the programs established by clauses (1) and (2) of section 432(b). Those not so selected shall be deemed suitable for the program established by clause (3) of such section 432(b) unless the Secretary finds that there is good cause for an individual not to participate in such program.

“(b) The Secretary shall develop an employability plan for each suitable person referred to him under section 402 which shall describe the education, training, work experience, and orientation which it is determined that each such person needs to complete in order to enable him to become self-supporting.

42 USC 602.

“(c) The Secretary shall make maximum use of services available from other Federal and State agencies and, to the extent not otherwise available on a nonreimbursable basis, he may reimburse such agencies for services rendered to persons under this part.

“(d) To the extent practicable and where necessary, work incentive programs established by this part shall include, in addition to the regular counseling, testing, and referral available through the Federal-State Employment Service System, program orientation, basic education, training in communications and employability skills, work experience, institutional training, on-the-job training, job development, and special job placement and followup services, required to assist participants in securing and retaining employment and securing possibilities for advancement.

“(e) (1) In order to develop special work projects under the program established by section 432(b)(3), the Secretary shall enter into agreements with (A) public agencies, (B) private nonprofit organizations established to serve a public purpose, and (C) Indian tribes

with respect to Indians on a reservation, under which individuals deemed suitable for participation in such a program will be provided work which serves a useful public purpose and which would not otherwise be performed by regular employees.

“(2) Such agreements shall provide—

“(A) for the payment by the Secretary to each employer a portion of the wages to be paid by the employer to the individuals for the work performed;

“(B) the hourly wage rate and the number of hours per week individuals will be scheduled to work on special work projects of such employer;

“(C) that the Secretary will have such access to the premises of the employer as he finds necessary to determine whether such employer is carrying out his obligations under the agreement and this part; and

“(D) that the Secretary may terminate any agreement under this subsection at any time.

“(3) The Secretary shall establish one or more accounts in each State with respect to the special work projects established and maintained pursuant to this subsection and place into such accounts the amounts paid to him by the State agency pursuant to section 402(a) (19) (E). The amounts in such accounts shall be available for the payments specified in subparagraph (A) of paragraph (2). At the end of each fiscal year and for such period of time as he may establish, the Secretary shall determine how much of the amounts paid to him by the State agency pursuant to section 402(a) (19) (E) were not expended as provided by the preceding sentence of this paragraph and shall return such unexpended amounts to the State, which amounts shall be regarded as overpayments for purposes of section 403(b) (2).

“(4) No wage rates provided under any agreement entered into under this subsection shall be lower than the applicable minimum wage for the particular work concerned.

“(f) Before entering into a project under any of the programs established by this part, the Secretary shall have reasonable assurances that—

“(1) appropriate standards for the health, safety, and other conditions applicable to the performance of work and training on such project are established and will be maintained,

“(2) such project will not result in the displacement of employed workers,

“(3) with respect to such project the conditions of work, training, education, and employment are reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant,

“(4) appropriate workmen's compensation protection is provided to all participants.

“(g) Where an individual, referred to the Secretary of Labor pursuant to section 402(a) (19) (A) (i) and (ii) refuses without good cause to accept employment or participate in a project under a program established by this part, the Secretary of Labor shall (after providing opportunity for fair hearing) notify the State agency which referred such individual and submit such other information as he may have with respect to such refusal.

“(h) With respect to individuals who are participants in special work projects under the program established by section 432(b) (3), the Secretary shall periodically (but at least once every six months) review the employment record of each such individual while on such special work project and on the basis of such record and such other

Post, p. 890.

42 USC 603.

information as he may acquire determine whether it would be feasible to place such individual in regular employment or on any of the projects under the programs established by section 432(b) (1) and (2).

"INCENTIVE PAYMENT

"SEC. 434. The Secretary is authorized to pay to any participant under a program established by section 432(b) (2) an incentive payment of not more than \$30 per month, payable in such amounts and at such times as the Secretary prescribes.

"FEDERAL ASSISTANCE

"SEC. 435. (a) Federal assistance under this part shall not exceed 80 per centum of the costs of carrying out this part. Non-Federal contributions may be cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

"(b) Costs of carrying out this part include costs of training, supervision, materials, administration, incentive payments, transportation, and other items as are authorized by the Secretary, but may not include any reimbursement for time spent by participants in work, training, or other participation in the program; except that with respect to special work projects under the program established by section 432(b) (3), the costs of carrying out this part shall include only the costs of administration.

"PERIOD OF ENROLLMENT

"SEC. 436. (a) The program established by section 432(b) (2) shall be designed by the Secretary so that the average period of enrollment under all projects under such program throughout any area of the United States will not exceed one year.

"(b) Services provided under this part may continue to be provided to an individual for such period as the Secretary determines (in accordance with regulations prescribed by the Secretary after consultation with the Secretary of Health, Education, and Welfare) is necessary to qualify him fully for employment even though his earnings disqualify him from aid under a State plan approved under section 402.

42 USC 602.

"RELOCATION OF PARTICIPANTS

"SEC. 437. The Secretary may assist participants to relocate their place of residence when he determines such relocation is necessary in order to enable them to become permanently employable and self-supporting. Such assistance shall be given only to participants who concur in their relocation and who will be employed at their place of relocation at wage rates which will meet at least their full need as determined by the State to which they will be relocated. Assistance under this section shall not exceed the reasonable costs of transportation for participants, their dependents, and their household belongings plus such relocation allowance as the Secretary determines to be reasonable.

"PARTICIPANTS NOT FEDERAL EMPLOYEES

"SEC. 438. Participants in projects under programs established by this part shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

“RULES AND REGULATIONS

“SEC. 439. The Secretary may issue such rules and regulations as he finds necessary to carry out the purposes of this part: *Provided*, That in developing policies for programs established by this part the Secretary shall consult with the Secretary of Health, Education, and Welfare.

“ANNUAL REPORT

“SEC. 440. The Secretary shall annually report to the Congress (with the first such report being made on or before July 1, 1970) on the work incentive programs established by this part.

“EVALUATION AND RESEARCH

“SEC. 441. The Secretary shall (jointly with the Secretary of Health, Education, and Welfare) provide for the continuing evaluation of the work incentive programs established by this part, including their effectiveness in achieving stated goals and their impact on other related programs. He also may conduct research regarding ways to increase the effectiveness of such programs. He may, for this purpose, contract for independent evaluations of and research regarding such programs or individual projects under such programs. For purposes of sections 435 and 443, the costs of carrying out this section shall not be regarded as costs of carrying out work incentive programs established by this part.

“REVIEW OF SPECIAL WORK PROJECTS BY A STATE PANEL

“SEC. 442. (a) The Secretary shall make an agreement with any State which is able and willing to do so under which the Governor of the State will create one or more panels to review applications tentatively approved by the Secretary for the special work projects in such State to be established by the Secretary under the program established by section 432(b)(3).

“(b) Each such panel shall consist of not more than five and not less than three members, appointed by the Governor. The members shall include one representative of employers and one representative of employees; the remainder shall be representatives of the general public. No special work project under such program developed by the Secretary pursuant to an agreement under section 433(e)(1) shall, in any State which has an agreement under this section, be established or maintained under such program unless such project has first been approved by a panel created pursuant to this section.

“COLLECTION OF STATE SHARE

“SEC. 443. If a non-Federal contribution of 20 per centum of the costs of the work incentive programs established by this part is not made in any State (as specified in section 402(a)), the Secretary of Health, Education, and Welfare may withhold any action under section 404 because of the State's failure to comply substantially with a provision required by section 402. If the Secretary of Health, Education, and Welfare does withhold such action, he shall, after reasonable notice and opportunity for hearing to the appropriate State agency or agencies, withhold any payments to be made to the State under sections 3(a), 403(a), 1003(a), 1403(a), 1603(a), and 1903(a) until the amount so withheld (including any amounts contributed by the State pursuant to the requirement in section 402(a)(19)(C)) equals 20 per centum of the costs of such work incentive programs. Such withholding shall remain in effect until such time as the Secretary has assur-

42 USC 602.

42 USC 604.

42 USC 303,
603, 1203, 1353,
1383, 1396b.
Post, p. 890.

ances from the State that such 20 per centum will be contributed as required by section 402. Amounts so withheld shall be deemed to have been paid to the State under such sections and shall be paid by the Secretary of Health, Education, and Welfare to the Secretary. Such payment shall be considered a non-Federal contribution for purposes of section 435.

42 USC 602.

“AGREEMENTS WITH OTHER AGENCIES PROVIDING ASSISTANCE TO
FAMILIES OF UNEMPLOYED PARENTS

“SEC. 444. (a) The Secretary is authorized to enter into an agreement (in accordance with the succeeding provisions of this section) with any qualified State agency (as described in subsection (b)) under which the program established by the preceding sections of this part C will (except as otherwise provided in this section) be applicable to individuals referred by such State agency in the same manner, to the same extent, and under the same conditions as such program is applicable with respect to individuals referred to the Secretary by a State agency administering or supervising the administration of a State plan approved by the Secretary of Health, Education, and Welfare under part A of this title.

“(b) A qualified State agency referred to in subsection (a) is a State agency which is charged with the administration of a program—

“(1) the purpose of which is to provide aid or assistance to the families of unemployed parents,

“(2) which is not established pursuant to part A of title IV of the Social Security Act,

“(3) which is financed entirely from funds appropriated by the Congress, and

“(4) none of the financing of which is made available under any program established pursuant to title V of the Economic Opportunity Act.

Post, p. 911.

“(c) (1) Any agreement under this section with a qualified State agency shall provide that such agency will, with respect to all individuals receiving aid or assistance under the program of aid or assistance to families of unemployed parents administered by such agency, comply with the requirements imposed by section 402(a) (15) and section 402(a) (19) (F) in the same manner and to the same extent as if (A) such qualified agency were the agency in such State administering or supervising the administration of a State plan approved under part A of this title, and (B) individuals receiving aid or assistance under the program administered by such qualified agency were recipients of aid under a State plan which is so approved.

Ante, p. 878.*Post*, p. 890.

“(2) Any agreement entered into under this section shall remain in effect for such period as may be specified in the agreement by the Secretary and the qualified State agency, except that, whenever the Secretary determines, after reasonable notice and opportunity for hearing to the qualified State agency, that such agency has failed substantially to comply with its obligations under such agreement, the Secretary may suspend operation of the agreement until such time as he is satisfied that the State agency will no longer fail substantially to comply with its obligations under such agreement.

“(3) Any such agreement shall further provide that the agreement will be inoperative for any calendar quarter if, for the preceding calendar quarter, the maximum amount of benefits payable under the program of aid or assistance to families of unemployed parents administered by the qualified State agency which is a party to such agreement is lower than the maximum amount of benefits payable under such program for the quarter which ended September 30, 1967.

“(d) The Secretary shall, at the request of any qualified State agency referred to in subsection (a) of this section and upon receipt from it of a list of the names of individuals rereferred to the Secretary, furnish to such agency the names of each individual on such list participating in a special work project under section 433(a)(3) whom the Secretary determines should continue to participate in such project. The Secretary shall not comply with any such request with respect to an individual on such list unless such individual has been referred to the Secretary by such agency under such section 402(a)(15) for a period of at least six months.”

(b) Section 402(a) of such Act is amended by adding at the end thereof before the period the following:

“; (19) provide—

“(A) for the prompt referral to the Secretary of Labor or his representative for participation under a work incentive program established by part C of—

“(i) each appropriate child and relative who has attained age sixteen and is receiving aid to families with dependent children,

“(ii) each appropriate individual (living in the same home as a relative and child receiving such aid) who has attained such age and whose needs are taken into account in making the determination under section 402(a)(7), and

“(iii) any other person claiming aid under the plan (not included in clauses (i) and (ii)), who, after being informed of the work incentive programs established by part C, requests such referral unless the State agency determines that participation in any of such programs would be inimical to the welfare of such person or the family;

except that the State agency shall not so refer a child, relative, or individual under clauses (i) and (ii) if such child, relative, or individual is—

“(iv) a person with illness, incapacity, or advanced age,

“(v) so remote from any of the projects under the work incentive programs established by part C that he cannot effectively participate under any of such programs,

“(vi) a child attending school full time, or

“(vii) a person whose presence in the home on a substantially continuous basis is required because of the illness or incapacity of another member of the household;

“(B) that aid under the plan will not be denied by reason of such referral or by reason of an individual's participation on a project under the program established by section 432(b)(2) or (3);

“(C) for arrangements to assure that there will be made a non-Federal contribution to the work incentive programs established by part C by appropriate agencies of the State or private organizations of 20 per centum of the cost of such programs, as specified in section 435(b);

“(D) that (i) training incentives authorized under section 434, and income derived from a special work project under the program established by section 432(b)(3) shall be disregarded in determining the needs of an individual under section 402(a)(7), and (ii) in determining such individual's needs the additional expenses attributable to his participa-

Ante, p. 885.

Ante, p. 878.

Ante, p. 877.

Ante, p. 884.

Ante, p. 887.

Ante, p. 881.

tion in a program established by section 432(b) (2) or (3) shall be taken into account;

“(E) that, with respect to any individual referred pursuant to subparagraph (A) who is participating in a special work project under the program established by section 432(b)(3), (i) the State agency, after proper notification by the Secretary of Labor, will pay to such Secretary (at such times and in such manner as the Secretary of Health, Education, and Welfare prescribes) the money payments such State would otherwise make to or on behalf of such individual (including such money payments with respect to such individual’s family), or 80 per centum of such individual’s earnings under such program, whichever is lesser and (ii) the State agency will supplement any earnings received by such individual by payments to such individual (which payments shall be considered aid under the plan) to the extent that such payments when added to the individual’s earnings from his participation in such special work project will be equal to the amount of the aid that would have been payable by the State agency with respect to such individual’s family had he not participated in such special work project, plus 20 per centum of such individual’s earnings from such special work project; and

Ante, p. 884.

“(F) that if and for so long as any child, relative, or individual (referred to the Secretary of Labor pursuant to subparagraph (A) (i) and (ii) and section 407(b)(2)) has been found by the Secretary of Labor under section 433(g) to have refused without good cause to participate under a work incentive program established by part C with respect to which the Secretary of Labor has determined his participation is consistent with the purposes of such part C, or to have refused without good cause to accept employment in which he is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined, after notification by him, to be a bona fide offer of employment—

Ante, p. 882.

“(i) if the relative makes such refusal, such relative’s needs shall not be taken into account in making the determination under clause (7), and aid for any dependent child in the family in the form of payments of the type described in section 406(b)(2) (which in such a case shall be without regard to clauses (A) through (E) thereof) or section 408 will be made;

42 USC 608.

“(ii) aid with respect to a dependent child will be denied if a child who is the only child receiving aid in the family makes such refusal;

“(iii) if there is more than one child receiving aid in the family, aid for any such child will be denied (and his needs will not be taken into account in making the determination under clause (7)) if that child makes such refusal; and

“(iv) if such individual makes such refusal, such individual’s needs shall not be taken into account in making the determination under clause (7);

except that the State agency shall, for a period of sixty days, make payments of the type described in section 406(b)(2) (without regard to clauses (A) through (E) thereof) on behalf of the relative specified in clause (i), or continue aid in the case of a child specified in clause (ii) or (iii), or take

42 USC 606.

(3) to the individual's needs into account in the case of an individual specified in clause (iv), but only if during such period such child, relative, or individual accepts counseling or other services (which the State agency shall make available to such child, relative, or individual) aimed at persuading such relative, child, or individual, as the case may be, to participate in such program in accordance with the determination of the Secretary of Labor".

(c) (1) The amendment made by subsection (b) shall in the case of any State be effective on July 1, 1968, or if a statute of such State prevents it from complying with the requirements of such amendment on such date, such amendment shall with respect to such State be effective on July 1, 1969; except such amendment shall be effective earlier (in the case of any State), but not before April 1, 1968, if a modification of the State plan to comply with such amendment is approved on an earlier date.

42 USC 609.

(2) The provisions of section 409 of the Social Security Act shall not apply to any State with respect to any quarter beginning after June 30, 1968.

Ante, p. 885.

(d) During the fiscal year ending June 30, 1969, the Secretary of Labor may, notwithstanding the provisions of section 433(e)(2)(A) of the Social Security Act, pay all of the wages to be paid by the employer to the individuals for work performed for public agencies (including Indian tribes with respect to Indians on a reservation) under special work projects established under the program established by section 432(b)(3) of such Act and may transfer into accounts established pursuant to section 433(e)(3) of such Act such amounts as he finds necessary in addition to amounts paid into such accounts pursuant to section 402(a)(19)(E) of such Act.

Ante, p. 890.

Ante, p. 881.

(e) Section 402(a)(8) of the Social Security Act (as amended by section 202(b) of this Act) is further amended by striking out "; and" at the end of subparagraph (A) and inserting in lieu thereof: "(except that the provisions of this clause (ii) shall not apply to earned income derived from participation on a project maintained under the programs established by section 432(b)(2) and (3)); and".

FEDERAL PARTICIPATION IN PAYMENTS FOR FOSTER CARE OF CERTAIN DEPENDENT CHILDREN

Ante, p. 890.

SEC. 205. (a) Section 402(a) of the Social Security Act (as amended by the preceding provisions of this Act) is amended by inserting before the period at the end thereof the following new clause: "; (20) effective July 1, 1969, provide for aid to families with dependent children in the form of foster care in accordance with section 408".

42 USC 608.

42 USC 603.

(b) Section 403(a)(1)(B) of such Act is amended by striking out "as exceeds" and all that follows and inserting in lieu thereof the following: "as exceeds (i) the product of \$32 multiplied by the total number of recipients of aid to families with dependent children (other than such aid in the form of foster care) for such month, plus (ii) the product of \$100 multiplied by the total number of recipients of aid to families with dependent children in the form of foster care for such month; and".

(c) Section 408(a) of such Act is amended by inserting "(A)" after "and (4) who", and by inserting before the semicolon at the end thereof the following: ", or (B) (i) would have received such aid in or for such month if application had been made therefor, or (ii) in the case of a child who had been living with a relative specified in section 406(a) within 6 months prior to the month in which such proceedings were initiated, would have received such aid in or for such month if

in such month he had been living with (and removed from the home of) such a relative and application had been made therefor".

(d) Sections 135(e) and 155(b) of the Public Welfare Amendments of 1962 are each amended by striking out ", and ending with the close of June 30, 1968".

Ante, p. 94.

(e) The amendments made by subsections (b) and (c) shall apply only with respect to foster care provided after December 1967.

EMERGENCY ASSISTANCE FOR CERTAIN NEEDY FAMILIES WITH CHILDREN

SEC. 206. (a) Section 403(a) of the Social Security Act (as amended by section 201(e) of this Act) is amended by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by inserting after paragraph (4) the following new paragraph:

Ante, p. 880.

"(5) in the case of any State, an amount equal to the sum of—

"(A) 50 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children in the form of payments or care specified in paragraph (1) of section 406(e), and

"(B) 75 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children in the form of services specified in paragraph (1) of section 406(e)."

(b) Section 406 of such Act (as amended by section 201(f) of this Act) is amended by adding at the end thereof the following new subsection:

Ante, p. 880.

"(e) (1) The term 'emergency assistance to needy families with children' means any of the following, furnished for a period not in excess of 30 days in any 12-month period, in the case of a needy child under the age of 21 who is (or, within such period as may be specified by the Secretary, has been) living with any of the relatives specified in subsection (a) (1) in a place of residence maintained by one or more of such relatives as his or their own home, but only where such child is without available resources, the payments, care, or services involved are necessary to avoid destitution of such child or to provide living arrangements in a home for such child, and such destitution or need for living arrangements did not arise because such child or relative refused without good cause to accept employment or training for employment—

"Emergency assistance to needy families with children."

"(A) money payments, payments in kind, or such other payments as the State agency may specify with respect to, or medical care or any other type of remedial care recognized under State law on behalf of, such child or any other member of the household in which he is living, and

"(B) such services as may be specified by the Secretary; but only with respect to a State whose State plan approved under section 402 includes provision for such assistance.

42 USC 602.

"(2) Emergency assistance as authorized under paragraph (1) may be provided under the conditions specified in such paragraph to migrant workers with families in the State or in such part or parts thereof as the State shall designate."

PROTECTIVE PAYMENTS AND VENDOR PAYMENTS WITH RESPECT TO DEPENDENT CHILDREN

SEC. 207. (a) (1) Section 406(b) (2) of the Social Security Act is amended by striking out all that follows "(2)" and precedes "but only", and inserting in lieu thereof the following: "payments with respect to any dependent child (including payments to meet the needs of

76 Stat. 189.
42 USC 606.

the relative, and the relative's spouse, with whom such child is living, and the needs of any other individual living in the same home if such needs are taken into account in making the determination under section 402(a)(7)) which do not meet the preceding requirements of this subsection, but which would meet such requirements except that such payments are made to another individual who (as determined in accordance with standards prescribed by the Secretary) is interested in or concerned with the welfare of such child or relative, or are made on behalf of such child or relative directly to a person furnishing food, living accommodations, or other goods, services, or items to or for such child, relative, or other individual."

Ante, p. 881.

76 Stat. 189.
42 USC 606.

(2) Section 406(b)(2) of such Act is further amended by striking out clause (B), and redesignating clauses (C) through (F) as clauses (B) through (E), respectively.

Ante, p. 893.

(b) Section 403(a) of such Act (as amended by the preceding provisions of this Act) is amended by—

(1) striking out "5" in the sentence immediately following paragraph (5) and inserting in lieu thereof "10";

(2) adding at the end thereof the following new sentence "In computing such 10 percent, there shall not be taken into account individuals with respect to whom such payments are made for any month in accordance with section 402(a)(19)(F)."

Ante, p. 890.

Ante, p. 94.

(c) Section 202(e) of the Public Welfare Amendments of 1962 is amended by striking out ", and ending with the close of June 30, 1968".

LIMITATION ON NUMBER OF CHILDREN WITH RESPECT TO WHOM
FEDERAL PAYMENTS MAY BE MADE

SEC. 208. (a) Section 403(a) of the Social Security Act is amended by striking out "shall pay" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "shall (subject to subsection (d)) pay".

(b) Section 403 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this Act, the average monthly number of dependent children under the age of 18 who have been deprived of parental support or care by reason of the continued absence from the home of a parent with respect to whom payments under this section may be made to a State for any calendar quarter after June 30, 1968, shall not exceed the number which bears the same ratio to the total population of such State under the age of 18 on the first day of the year in which such quarter falls as the average monthly number of such dependent children under the age of 18 with respect to whom payments under this section were made to such State for the calendar quarter beginning January 1, 1968, bore to the total population of such State under the age of 18 on that date."

FEDERAL PARTICIPATION IN PAYMENTS FOR REPAIRS TO HOME OWNED BY
RECIPIENT OF AID OR ASSISTANCE

49 Stat. 647;
79 Stat. 423.
42 USC 1301-
1318.

SEC. 209. (a) Title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"FEDERAL PARTICIPATION IN PAYMENTS FOR REPAIRS TO HOME OWNED BY
RECIPIENT OF AID OR ASSISTANCE

"SEC. 1119. In the case of an expenditure for repairing the home owned by an individual who is receiving aid or assistance, other than medical assistance to the aged, under a State plan approved under title I, X, XIV, or XVI, or part A of title IV if—

42 USC 301,
1201, 1351, 1381,
601.

“(1) the State agency or local agency administering the plan approved under such title has made a finding (prior to making such expenditure) that (A) such home is so defective that continued occupancy is unwarranted, (B) unless repairs are made to such home, rental quarters will be necessary for such individual, and (C) the cost of rental quarters to take care of the needs of such individual (including his spouse living with him in such home and any other individual whose needs were taken into account in determining the need of such individual) would exceed (over such time as the Secretary may specify) the cost of repairs needed to make such home habitable together with other costs attributable to continued occupancy of such home, and

“(2) no such expenditures were made for repairing such home pursuant to any prior finding under this section,

the amount paid to any such State for any quarter under section 3(a), 403(a), 1003(a), 1403(a), or 1603(a) shall be increased by 50 per centum of such expenditures, except that the excess above \$500 expended with respect to any one home shall not be included in determining such expenditures.”

(b) The amendment made by subsection (a) shall apply with respect to expenditures made after December 31, 1967.

42 USC 303,
603, 1203, 1353,
1383.

USE OF SUBPROFESSIONAL STAFF AND VOLUNTEERS IN PROVIDING SERVICES TO INDIVIDUALS APPLYING FOR AND RECEIVING ASSISTANCE

SEC. 210. (a)(1) Section 2(a)(5) of the Social Security Act is amended by—

74 Stat. 988.
42 USC 302.

(A) striking out “provide” and inserting in lieu thereof “provide (A)”; and

(B) adding at the end thereof before the semicolon the following: “, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency”.

(2) Section 402(a)(5) of such Act is amended by—

53 Stat. 1379.
42 USC 602.

(A) striking out “provide” and inserting in lieu thereof “provide (A)”; and

(B) adding at the end thereof before the semicolon the following: “, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community services aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency”.

(3) Section 1002(a)(5) of such Act is amended by—

53 Stat. 1397.
42 USC 1202.

(A) striking out “provide” and inserting in lieu thereof “provide (A)”; and

(B) adding at the end thereof before the semicolon the following: “, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to appli-

cants and recipients and in assisting any advisory committees established by the State agency”.

64 Stat. 555.
42 USC 1352.

(4) Section 1402(a)(5) of such Act is amended by—

(A) striking out “provide” and inserting in lieu thereof “provide (A)”; and

(B) adding at the end thereof before the semicolon the following: “, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency”.

76 Stat. 198.
42 USC 1382.

(5) Section 1602(a)(5) of such Act is amended by—

(A) striking out “provide” and inserting in lieu thereof “provide (A)”; and

(B) adding at the end thereof before the semicolon the following: “, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency”.

79 Stat. 344.
42 USC 1396a.

(6) Section 1902(a)(4) of such Act is amended by—

(A) striking out “provide” and inserting in lieu thereof “provide (A)”; and

(B) adding at the end thereof before the semicolon the following: “, and (B) for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency”.

42 USC 301,
1201, 1351, 1381,
1396, 601.

(b) Each of the amendments made by subsection (a) shall become effective July 1, 1969, or, if earlier (with respect to a State's plan approved under title I, X, XIV, XVI, or XIX, or part A of title IV) on the date as of which the modification of the State plan to comply with such amendment is approved.

LOCATION OF CERTAIN PARENTS WHO DESERT OR ABANDON DEPENDENT CHILDREN

SEC. 211. (a) Effective January 1, 1969, section 402(a) of the Social Security Act (as amended by the preceding sections of this Act) is further amended by inserting before the period at the end thereof the following new clauses: “; (21) provide that the State agency will report to the Secretary, at such times (not less often than once each calendar quarter) and in such manner as the Secretary may prescribe—

Ante, p. 892.

“(A) the name, and social security account number, if known, of each parent of a dependent child or children with respect to whom aid is being provided under the State plan—

“(i) against whom an order for the support and maintenance of such child or children has been issued by a court of competent jurisdiction but who is not making payments in

compliance or partial compliance with such order, or against whom a petition for such an order has been filed in a court having jurisdiction to receive such petition, and

“(ii) whom it has been unable to locate after requesting and utilizing information included in the files of the Department of Health, Education, and Welfare maintained pursuant to section 205,

“(B) the last known address of such parent and any information it has with respect to the date on which such parent could last be located at such address, and

“(C) such other information as the Secretary may specify to assist in carrying out the provisions of section 410;

(22) provide that the State agency will, in accordance with standards prescribed by the Secretary, cooperate with the State agency administering or supervising the administration of the plan of another State under this part—

“(A) in locating a parent residing in such State (whether or not permanently) against whom a petition has been filed in a court of competent jurisdiction of such other State for the support and maintenance of a child or children of such parent with respect to whom aid is being provided under the plan of such other State, and

“(B) in securing compliance or good faith partial compliance by a parent residing in such State (whether or not permanently) with an order issued by a court of competent jurisdiction against such parent for the support and maintenance of a child or children of such parent with respect to whom aid is being provided under the plan of such other State”.

(b) Title IV of such Act is amended by adding after section 409 the following new section:

“ASSISTANCE BY INTERNAL REVENUE SERVICE IN LOCATING PARENTS

“SEC. 410. (a) Upon receiving a report from a State agency made pursuant to section 402(a) (21), the Secretary shall furnish to the Secretary of the Treasury or his delegate the names and social security account numbers of the parents contained in such report, and the name of the State agency which submitted such report. The Secretary of the Treasury or his delegate shall endeavor to ascertain the address of each such parent from the master files of the Internal Revenue Service, and shall furnish any address so ascertained to the State agency which submitted such report.

“(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of subsection (a). The Secretary shall transfer to the Secretary of the Treasury from time to time sufficient amounts out of the monies appropriated pursuant to this subsection to enable him to perform his functions under subsection (a).”

PROVISION OF SERVICES BY OTHERS THAN A STATE

SEC. 212. (a) So much of section 3(a) (4) of the Social Security Act as follows subparagraph (C) and precedes subparagraph (D) is amended by inserting after “shall” the following: “, except to the extent specified by the Secretary.”

(b) So much of section 1003(a) (3) of such Act as follows subparagraph (C) and precedes subparagraph (D) is amended by inserting after “shall” the following: “, except to the extent specified by the Secretary.”

(c) So much of section 1403(a) (3) of such Act as follows subparagraph (C) and precedes subparagraph (D) is amended by insert-

53 Stat. 1362.
42 USC 405.

Intra.

42 USC 601-609.

Ante, p. 896.

76 Stat. 173.
42 USC 303.

42 USC 1203.

42 USC 1353.

ing after "shall" the following: ", except to the extent specified by the Secretary."

76 Stat. 200.
42 USC 1383.

(d) So much of section 1603(a) (4) of such Act as follows subparagraph (C) and precedes subparagraph (D) is amended by inserting after "shall" the following: ", except to the extent specified by the Secretary."

(e) The amendments made by the preceding subsections of this section shall take effect January 1, 1968.

AUTHORITY TO DISREGARD ADDITIONAL INCOME OF RECIPIENTS OF PUBLIC ASSISTANCE

79 Stat. 418.
42 USC 302.

SEC. 213. (a) (1) Section 2(a) (10) (A) (i) of the Social Security Act is amended by striking out "not more than \$5" and inserting in lieu thereof "not more than \$7.50".

42 USC 1202.

(2) Section 1002(a) (8) (C) of such Act is amended by striking out "not more than \$5" and inserting in lieu thereof "not more than \$7.50".

42 USC 1352.

(3) Section 1402(a) (8) (A) of such Act is amended by striking out "not more than \$5" and inserting in lieu thereof "not more than \$7.50".

79 Stat. 418.
42 USC 1382.

(4) Section 1604(a) (14) (D) of such Act is amended by striking out "not more than \$5" and inserting in lieu thereof "not more than \$7.50".

Ante, p. 896.

(b) Section 402(a) of such Act is amended by inserting before the period at the end thereof the following: "; and (23) provide that by July 1, 1969, the amounts used by the State to determine the needs of individuals will have been adjusted to reflect fully changes in living costs since such amounts were established, and any maximums that the State imposes on the amount of aid paid to families will have been proportionately adjusted".

PART 2—MEDICAL ASSISTANCE AMENDMENTS

LIMITATION ON FEDERAL PARTICIPATION IN MEDICAL ASSISTANCE

79 Stat. 349.
42 USC 1396b.

SEC. 220. (a) Section 1903 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) (1) (A) Except as provided in paragraph (4), payment under the preceding provisions of this section shall not be made with respect to any amount expended as medical assistance in a calendar quarter, in any State, for any member of a family the annual income of which exceeds the applicable income limitation determined under this paragraph.

"(B) (i) Except as provided in clause (ii) of this subparagraph, the applicable income limitation with respect to any family is the amount determined, in accordance with standards prescribed by the Secretary, to be equivalent to 133 $\frac{1}{3}$ percent of the highest amount which would ordinarily be paid to a family of the same size without any income or resources, in the form of money payments, under the plan of the State approved under part A of title IV of this Act.

Post, p. 911.

"(ii) If the Secretary finds that the operation of a uniform maximum limits payments to families of more than one size, he may adjust the amount otherwise determined under clause (i) to take account of families of different sizes.

"(C) The total amount of any applicable income limitation determined under subparagraph (B) shall, if it is not a multiple of \$100 or such other amount as the Secretary may prescribe, be rounded to the next higher multiple of \$100 or such other amount, as the case may be.

"(2) In computing a family's income for purposes of paragraph (1), there shall be excluded any costs (whether in the form of insurance

premiums or otherwise) incurred by such family for medical care or for any other type of remedial care recognized under State law.

“(3) For purposes of paragraph (1) (B), in the case of a family consisting of only one individual, the ‘highest amount which would ordinarily be paid’ to such family under the State’s plan approved under part A of title IV of this Act shall be the amount determined by the State agency (on the basis of reasonable relationship to the amounts payable under such plan to families consisting of two or more persons) to be the amount of the aid which would ordinarily be payable under such plan to a family (without any income or resources) consisting of one person if such plan (without regard to section 408) provided for aid to such a family.

Post, p. 911.

42 USC 608.

“(4) The limitations on payment imposed by the preceding provisions of this subsection shall not apply with respect to any amount expended by a State as medical assistance for any individual who, at the time of the provision of the medical assistance giving rise to such expenditure—

“(A) is a recipient of aid or assistance under a plan of such State which is approved under title I, X, XIV, or XVI, or part A of title IV, or

42 USC 301,
1201, 1351, 1381.

“(B) is not a recipient of aid or assistance under such a plan but (i) is eligible to receive such aid or assistance, or (ii) would be eligible to receive such aid or assistance if he were not in a medical institution.”

(b) (1) In the case of any State whose plan under title XIX of the Social Security Act is approved by the Secretary of Health, Education, and Welfare under section 1902 after July 25, 1967, the amendment made by subsection (a) shall apply with respect to calendar quarters beginning after the date of enactment of this Act.

42 USC 1396;
Post, pp. 903-908.

(2) In the case of any State whose plan under title XIX of the Social Security Act was approved by the Secretary of Health, Education, and Welfare under section 1902 of the Social Security Act prior to July 26, 1967, the amendments made by subsection (a) shall apply with respect to calendar quarters beginning after June 30, 1968, except that—

(A) with respect to the third and fourth calendar quarters of 1968, such subsection shall be applied by substituting in subsection (f) of section 1903 of the Social Security Act 150 percent for 133 $\frac{1}{3}$ percent each time such latter figure appears in such subsection (f), and

Ante, p. 898.

(B) with respect to all calendar quarters during 1969, such subsection shall be applied by substituting in subsection (f) of section 1903 of such Act 140 percent for 133 $\frac{1}{3}$ percent each time such latter figure appears in such subsection (f).

MAINTENANCE OF STATE EFFORT

SEC. 221. (a) Section 1117(a) of the Social Security Act is amended by adding at the end thereof the following new sentence: “For any fiscal year ending on or after June 30, 1967, and before July 1, 1968, in lieu of the substitution provided by paragraph (3) or (4), at the option of the State (i) paragraphs (1) and (2) of this subsection shall be applied on a fiscal year basis (rather than on a quarterly basis), and (ii) the base period fiscal year shall be either the fiscal year ending June 30, 1965, or the fiscal year ending June 30, 1964 (whichever is chosen by the State).

79 Stat. 420.
42 USC 1317.

(b) Section 1117 of such Act is further amended by adding at the end thereof the following new subsection:

“(d) (1) In the case of the quarters in any fiscal year ending before July 1, 1968, the reduction (if any) under this section shall, at the

option of the State, be determined under paragraph (2), (3), or (4) of this subsection instead of under the preceding provisions of this section.

“(2) If the reduction determination is made under this paragraph for a State, then—

“(A) subsection (a) shall be applied by taking into account only money payments under plans of the State approved under titles I, X, XIV, and XVI, and part A of title IV,

“(B) subsection (b) shall be applied by eliminating each reference to title XIX, and

“(C) subsection (c) shall be applied by eliminating the reference to section 1903, and by substituting a reference to this paragraph for the reference to subsections (a) and (b).

“(3) If the reduction determination is made under this paragraph for a State, then—

“(A) subsection (a) shall be applied by taking into account payments under section 523 and section 422,

“(B) subsection (b) shall be applied by adding a reference to section 523 and section 422 after each reference to title XIX, and

“(C) subsection (c) shall be applied by adding a reference to section 523 and section 422 after the reference to section 1903, and by substituting a reference to this paragraph for the reference to subsections (a) and (b).

“(4) If the reduction determination is made under this paragraph for a State, then—

“(A) subsection (a) shall be applied by taking into account only (i) money payments under plans of the State approved under titles I, X, XIV, and XVI, and part A of title IV, and (ii) payments under section 523 and section 422,

“(B) subsection (b) shall be applied by eliminating each reference to title XIX and substituting a reference to section 523 and section 422, and

“(C) subsection (c) shall be applied by eliminating the reference to section 1903 and substituting a reference to section 523 and section 422, and by substituting a reference to this paragraph for the reference to subsections (a) and (b).”

(c) Section 1117(a) of such Act is further amended by striking out “December 31, 1965” and inserting in lieu thereof “June 30, 1966”

(d) Effective July 1, 1968, section 1117 of the Social Security Act is repealed.

COORDINATION OF TITLE XIX AND THE SUPPLEMENTARY MEDICAL INSURANCE PROGRAM

SEC. 222. (a) Section 1843 of the Social Security Act is amended by adding at the end thereof the following new subsection:

“(h) (1) The Secretary shall, at the request of a State made before January 1, 1970, enter into a modification of an agreement entered into with such State pursuant to subsection (a) under which the coverage group described in subsection (b) and specified in such agreement is broadened to include individuals who are eligible to receive medical assistance under the plan of such State approved under title XIX.

“(2) For purposes of this section, an individual shall be treated as eligible to receive medical assistance under the plan of the State approved under title XIX if, for the month in which the modification is entered into under this subsection or for any month thereafter, he has been determined to be eligible to receive medical assistance under such plan. In the case of any individual who would (but for this subsection) be excluded from the agreement, subsections (c) and (d) (2) shall be applied as if they referred to the modification under

42 USC 301,
1201, 1351, 1381.
Post, p. 911.
42 USC 1396.
Post, pp. 903-
908.

72 Stat. 1053.
42 USC 723.
Post, pp. 912,
915.

79 Stat. 420.
42 USC 1317.

79 Stat. 312;
80 Stat. 105.
42 USC 1395v.

this subsection (in lieu of the agreement under subsection (a)), and subsection (d)(2)(C) shall be applied by substituting 'second month following the first month' for 'first month'."

(b)(1) Section 1843(d)(3)(A) of such Act is amended by striking out "ineligible for money payments of a kind specified in the agreement" and inserting in lieu thereof the following: "ineligible both for money payments of a kind specified in the agreement and (if there is in effect a modification entered into under subsection (h)) for medical assistance".

79 Stat. 312.
42 USC 1395v.

(2) Section 1843(f) of such Act is amended—

(A) by inserting after "or part A of title IV," (as added by section 241(e)(2) of this Act) the following: "or eligible to receive medical assistance under the plan of such State approved under title XIX,"; and

Post, p. 917.

(B) by inserting after "and part A of title IV" (as added by section 241(e)(2) of this Act) the following: ", and individuals eligible to receive medical assistance under the plan of the State approved under title XIX".

(3) Section 1843(g)(1) of such Act is amended by striking out "1968" and inserting in lieu thereof "1970".

80 Stat. 105.

(4) The heading of section 1843 of such Act is amended by adding at the end thereof the following: "(OR ARE ELIGIBLE FOR MEDICAL ASSISTANCE)".

79 Stat. 312.

(c) Section 1903(b) of such Act is amended by inserting "(1)" after "(b)", and by adding at the end thereof the following new paragraph:

79 Stat. 349.
42 USC 1396b.

"(2) Notwithstanding the preceding provisions of this section, the amount determined under subsection (a)(1) for any State for any quarter beginning after December 31, 1967, shall not take into account any amounts expended as medical assistance with respect to individuals aged 65 or over which would not have been so expended if the individuals involved had been enrolled in the insurance program established by part B of title XVIII."

42 USC 1395j-1395w.

(d) Effective with respect to calendar quarters beginning after December 31, 1967, section 1903(a)(1) of such Act is amended by striking out "and other insurance premiums" and inserting in lieu thereof "and, except in the case of individuals sixty-five years of age or older who are not enrolled under part B of title XVIII, other insurance premiums".

(e)(1) Section 1843(a) of such Act is amended by striking out "1968" and inserting in lieu thereof "1970".

(2) Section 1843(c) of such Act is amended—

(A) by striking out "and before January 1, 1968"; and

(B) by striking out "thereafter before January 1968"; and inserting in lieu thereof "thereafter".

(3) Section 1843(d)(2)(D) of such Act is amended by striking out "(not later than January 1, 1968)".

MODIFICATION OF COMPARABILITY PROVISIONS

SEC. 223. (a) Section 1902(a)(10) of the Social Security Act is amended—

79 Stat. 345.
42 USC 1396a.

(1) by inserting "(I)" after "except that" in the matter following subparagraph (B), and

(2) by inserting before the semicolon at the end the following: ", and (II) the making available of supplementary medical insurance benefits under part B of title XVIII to individuals eligible therefor (either pursuant to an agreement entered into under section 1843 or by reason of the payment of premiums under such title by the State agency on behalf of such individuals), or provision for meeting part or all of the cost of the deductibles, cost

42 USC 1395j-
1395w.

sharing, or similar charges under part B of title XVIII for individuals eligible for benefits under such part, shall not, by reason of this paragraph (10), require the making available of any such benefits, or the making available of services of the same amount, duration, and scope, to any other individuals”.

(b) The amendments made by subsection (a) shall apply with respect to calendar quarters beginning after June 30, 1967.

REQUIRED SERVICES UNDER STATE MEDICAL ASSISTANCE PLAN

79 Stat. 345.
42 USC 1396a.

SEC. 224. (a) Section 1902(a)(13) of the Social Security Act is amended to read as follows:

“(13) provide—

“(A) for inclusion of some institutional and some noninstitutional care and services, and

“(B) in the case of individuals receiving aid or assistance under the State’s plan approved under title I, X, XIV, or XVI, or part A of title IV, for the inclusion of at least the care and services listed in clauses (1) through (5) of section 1905(a), and

“(C) in the case of individuals not included under subparagraph (B) for the inclusion of at least—

(i) the care and services listed in clauses (1) through (5) of section 1905(a) or

(ii) (I) the care and services listed in any 7 of the clauses numbered (1) through (14) of such section and (II) in the event the care and services provided under the State plan include hospital or skilled nursing home services, physicians’ services to an individual in a hospital or skilled nursing home during any period he is receiving hospital services from such hospital or skilled nursing home services from such home, and

“(D) for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan;”.

(b) The amendment made by subsection (a) shall apply with respect to calendar quarters beginning after December 31, 1967.

(c) (1) Section 1902(a)(13)(A) of the Social Security Act (as amended by subsection (a) of this section) is further amended to read as follows:

“(A) (i) for the inclusion of some institutional and some non-institutional care and services, and

“(ii) for the inclusion of home health services for any individual who, under the State plan, is entitled to skilled nursing home services, and”.

(2) The amendment made by paragraph (1) of this subsection shall apply with respect to calendar quarters beginning after June 30, 1970.

EXTENT OF FEDERAL FINANCIAL PARTICIPATION IN CERTAIN ADMINISTRATIVE EXPENSES

42 USC 1396b.

SEC. 225. (a) Section 1903(a)(2) of the Social Security Act is amended by striking out “of the State agency (or of the local agency administering the State plan in the political subdivision)” and inserting in lieu thereof “of the State agency or any other public agency”.

(b) The amendment made by subsection (a) shall apply with respect to expenditures made after December 31, 1967.

ADVISORY COUNCIL ON MEDICAL ASSISTANCE

SEC. 226. Title XIX of the Social Security Act is amended by adding at the end thereof the following new section:

79 Stat. 343.
42 USC 1396-
1396 d.

"ADVISORY COUNCIL ON MEDICAL ASSISTANCE

"SEC. 1906. For the purpose of advising the Secretary on matters of general policy in the administration of this title (including the relationship of this title and title XVIII) and making recommendations for improvements in such administration, there is hereby created a Medical Assistance Advisory Council which shall consist of twenty-one persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Secretary shall from time to time appoint one of the members to serve as Chairman. The members shall include representatives of State and local agencies and nongovernmental organizations and groups concerned with health, and of consumers of health services, and a majority of the membership of the Advisory Council shall consist of representatives of consumers of health services. Each member shall hold office for a term of four years, except that 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 except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and six at the end of the fourth year after the date of appointment. A member shall not be eligible to serve continuously for more than two terms. The Secretary may, at the request of the Council or otherwise, appoint such special advisory professional or technical committees as may be useful in carrying out this title. Members of the Advisory Council and members of any such advisory or technical committee, while attending meetings or conferences thereof or otherwise serving on business of the Advisory Council or of such committee, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, 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 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Advisory Council shall meet as frequently as the Secretary deems necessary. Upon request of five or more members, it shall be the duty of the Secretary to call a meeting of the Advisory Council."

42 USC 1395-
1395ll.

80 Stat. 417.
5 USC 3301 et
seq.
Membership.

Term of office.

Compensation,
travel expenses.

80 Stat. 499.

FREE CHOICE BY INDIVIDUALS ELIGIBLE FOR MEDICAL ASSISTANCE

SEC. 227. (a) Section 1902(a) of the Social Security Act is amended—

42 USC 1396 a.

- (1) by striking out "and" at the end of paragraph (21);
- (2) by striking out the period at the end of paragraph (22) and inserting in lieu thereof "; and"; and
- (3) by adding after paragraph (22) the following new paragraph:

"(23) provide that any individual eligible for medical assistance (including drugs) may obtain such assistance from any institution, agency, community pharmacy, or person, qualified to perform the service or services required (including an organization

which provides such services, or arranges for their availability, on a prepayment basis), who undertakes to provide him such services."

(b) The amendments made by this section shall apply with respect to calendar quarters beginning after June 30, 1969; except that such amendments shall apply in the case of Puerto Rico, the Virgin Islands, and Guam only with respect to calendar quarters beginning after June 30, 1972.

UTILIZATION OF STATE FACILITIES TO PROVIDE CONSULTATIVE SERVICES TO INSTITUTIONS FURNISHING MEDICAL CARE

SEC. 228. (a) Section 1902(a) of the Social Security Act (as amended by section 227 of this Act) is amended—

- (1) by striking out "and" at the end of paragraph (22);
- (2) by striking out the period at the end of paragraph (23) and inserting in lieu thereof "; and"; and
- (3) by inserting after paragraph (23) the following new paragraph:

"(24) effective July 1, 1969, provide for consultative services by health agencies and other appropriate agencies of the State to hospitals, nursing homes, home health agencies, clinics, laboratories, and such other institutions as the Secretary may specify in order to assist them (A) to qualify for payments under this Act, (B) to establish and maintain such fiscal records as may be necessary for the proper and efficient administration of this Act, and (C) to provide information needed to determine payments due under this Act on account of care and services furnished to individuals."

(b) Effective July 1, 1969, the last sentence of section 1864(a) of such Act is repealed.

PAYMENTS FOR SERVICES AND CARE BY A THIRD PARTY

SEC. 229. (a) Section 1902(a) of the Social Security Act (as amended by section 228 of this Act) is amended—

- (1) by striking out "and" at the end of paragraph (23);
- (2) by striking out the period at the end of paragraph (24) and inserting in lieu thereof "; and"; and
- (3) by inserting after paragraph (24) the following new paragraph:

"(25) provide (A) that the State or local agency administering such plan will take all reasonable measures to ascertain the legal liability of third parties to pay for care and services (available under the plan) arising out of injury, disease, or disability, (B) that where the State or local agency knows that a third party has such a legal liability such agency will treat such legal liability as a resource of the individual on whose behalf the care and services are made available for purposes of paragraph (17)(B), and (C) that in any case where such a legal liability is found to exist after medical assistance has been made available on behalf of the individual, the State or local agency will seek reimbursement for such assistance to the extent of such legal liability."

(b) The amendment made by subsection (a) shall apply with respect to legal liabilities of third parties arising after March 31, 1968.

(c) Section 1903(d)(2) of such Act is amended by adding at the end thereof the following new sentence: "Expenditures for which payments were made to the State under subsection (a) shall be treated

Ante, p. 903.

79 Stat. 326.
42 USC 1395aa.

79 Stat. 350.
42 USC 1396b.

as an overpayment to the extent that the State or local agency administering such plan has been reimbursed for such expenditures by a third party pursuant to the provisions of its plan in compliance with section 1902(a)(25).”

Ante, p. 904.

DIRECT PAYMENTS TO CERTAIN RECIPIENTS OF MEDICAL ASSISTANCE

SEC. 230. Section 1905(a) of the Social Security Act is amended by inserting after “for individuals” in the matter preceding clause (i) the following: “, and, with respect to physicians’ or dentists’ services, at the option of the State, to individuals not receiving aid or assistance under the State’s plan approved under title I, X, XIV, or XVI, or part A of title IV.”

79 Stat. 351.
42 USC 1396d.

42 USC 301,
1201, 1351, 1381;
Post, p. 911.

DATE ON WHICH STATE PLANS UNDER TITLE XIX MUST MEET CERTAIN FINANCIAL PARTICIPATION REQUIREMENTS

SEC. 231. Section 1902(a)(2) of the Social Security Act is amended by striking out “July 1, 1970” and inserting in lieu thereof “July 1, 1969”.

42 USC 1396a.

OBSERVANCE OF RELIGIOUS BELIEFS

SEC. 232. Title XIX of the Social Security Act (as amended by section 226 of this Act) is further amended by adding at the end thereof the following new section:

Ante, p. 903.

“OBSERVANCE OF RELIGIOUS BELIEFS

“SEC. 1907. Nothing in this title shall be construed to require any State which has a plan approved under this title to compel any person to undergo any medical screening, examination, diagnosis, or treatment or to accept any other health care or services provided under such plan for any purpose (other than for the purpose of discovering and preventing the spread of infection or contagious disease or for the purpose of protecting environmental health), if such person objects (or, in case such person is a child, his parent or guardian objects) thereto on religious grounds.”

COVERAGE UNDER TITLE XIX OF CERTAIN SPOUSES OF INDIVIDUALS RECEIVING CASH WELFARE AID OR ASSISTANCE

SEC. 233. (a) Section 1905(a) of the Social Security Act is amended (1) by striking out “or” at the end of clause (iv), (2) by inserting “or” at the end of clause (v), and (3) by inserting immediately below clause (v) the following new clause:

“(vi) persons essential (as described in the second sentence of this subsection) to individuals receiving aid or assistance under State plans approved under title I, X, XIV, or XVI.”

(b) Section 1905(a) of such Act is further amended by adding at the end thereof the following new sentence: “For purposes of clauses (vi) of the preceding sentence, a person shall be considered essential to another individual if such person is the spouse of and is living with such individual, the needs of such person are taken into account in determining the amount of aid or assistance furnished to such individual (under a State plan approved under title I, X, XIV, or XVI), and such person is determined, under such a State plan, to be essential to the well being of such individual.”

STANDARDS FOR SKILLED NURSING HOMES FURNISHING SERVICES UNDER STATE PLANS APPROVED UNDER TITLE XIX

Ante, pp. 903, 904.

SEC. 234. (a) Section 1902(a) of the Social Security Act (as amended by the preceding sections of this Act) is further amended (1) by striking out "and" at the end of paragraph (24), (2) by striking out the period at the end of paragraph (25) and inserting in lieu of such period a semicolon, and (3) by adding at the end thereof the following new paragraphs:

"(26) effective July 1, 1969, provide (A) for a regular program of medical review (including medical evaluation of each patient's need for skilled nursing home care) or (in the case of individuals who are eligible therefor under the State plan) need for care in a mental hospital, a written plan of care, and, where applicable, a plan of rehabilitation prior to admission to a skilled nursing home; (B) for periodic inspections to be made in all skilled nursing homes and mental institutions (if the State plan includes care in such institutions) within the State by one or more medical review teams (composed of physicians and other appropriate health and social service personnel) of (i) the care being provided in such nursing homes (and mental institutions, if care therein is provided under the State plan) to persons receiving assistance under the State plan, (ii) with respect to each of the patients receiving such care, the adequacy of the services available in particular nursing homes (or institutions) to meet the current health needs and promote the maximum physical well-being of patients receiving care in such homes (or institutions), (iii) the necessity and desirability of the continued placement of such patients in such nursing homes (or institutions), and (iv) the feasibility of meeting their health care needs through alternative institutional or noninstitutional services; and (C) for the making by such team or teams of full and complete reports of the findings resulting from such inspections together with any recommendations to the State agency administering or supervising the administration of the State plan;

"(27) provide for agreements with every person or institution providing services under the State plan under which such person or institution agrees (A) to keep such records as are necessary fully to disclose the extent of the services provided to individuals receiving assistance under the State plan, and (B) to furnish the State agency with such information, regarding any payments claimed by such person or institution for providing services under the State plan, as the State agency may from time to time request;

"(28) provide that any skilled nursing home receiving payments under such plan must—

"(A) supply to the licensing agency of the State full and complete information as to the identity (i) of each person having (directly or indirectly) an ownership interest of 10 per centum or more in such nursing home, (ii) in case a nursing home is organized as a corporation, of each officer and director of the corporation, and (iii) in case a nursing home is organized as a partnership, of each partner; and promptly report any changes which would affect the current accuracy of the information so required to be supplied;

"(B) have and maintain an organized nursing service for its patients, which is under the direction of a professional registered nurse who is employed full-time by such nursing home, and which is composed of sufficient nursing and aux-

iliary personnel to provide adequate and properly supervised nursing services for such patients during all hours of each day and all days of each week;

“(C) make satisfactory arrangements for professional planning and supervision of menus and meal service for patients for whom special diets or dietary restrictions are medically prescribed;

“(D) have satisfactory policies and procedures relating to the maintenance of medical records on each patient of the nursing home, dispensing and administering of drugs and biologicals, and assuring that each patient is under the care of a physician and that adequate provisions is made for medical attention to any patient during emergencies;

“(E) have arrangements with one or more general hospitals under which such hospital or hospitals will provide needed diagnostic and other services to patients of such nursing home, and under which such hospital or hospitals agree to timely acceptance, as patients thereof, of acutely ill patients of such nursing home who are in need of hospital care; except that the State agency may waive this requirement wholly or in part with respect to any nursing home meeting all the other requirements and which, by reason of remote location or other good and sufficient reason, is unable to effect such an arrangement with a hospital; and

“(F) (i) meet (after December 31, 1969) such provisions of the Life Safety Code of the National Fire Protection Association (21st Edition, 1967) as are applicable to nursing homes; except that the State agency may waive in accordance with regulations of the Secretary, for such periods as it deems appropriate, specific provisions of such code which, if rigidly applied, would result in unreasonable hardship upon a nursing home, but only if such agency makes a determination (and keeps a written record setting forth the basis of such determination) that such waiver will not adversely affect the health and safety of the patients of such skilled nursing home; and except that the requirements set forth in the preceding provisions of this subclause (i) shall not apply in any State if the Secretary finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in nursing homes; and (ii) meet conditions relating to environment and sanitation applicable to extended care facilities under title XVIII; except that the State agency may waive in accordance with regulations of the Secretary, for such periods as it deems appropriate, any requirement imposed by the preceding provisions of this subclause (ii) if such agency finds that such requirement, if rigidly applied, would result in unreasonable hardship upon a nursing home, but only if such agency makes a determination (and keeps a written record setting forth the basis of such determination) that such waiver will not adversely affect the health and safety of the patients of such nursing home.”

(b) The amendments made by subsection (a) of this section (unless otherwise specified in the body of such amendments) shall take effect on January 1, 1969.

(c) Notwithstanding any other provision of law, after June 30, 1968, no Federal funds shall be paid to any State as Federal matching under title I, X, XIV, XVI, or XIX of the Social Security Act for payments made to any nursing home for or on account of any nursing

42 USC 1395-1395ll.

42 USC 301, 1201, 1351, 1381, 1396; *Post*, pp. 903-908.

home services provided by such nursing home for any period during which such nursing home is determined not to meet fully all requirements of the State for licensure as a nursing home, except that the Secretary may prescribe a reasonable period or periods of time during which a nursing home which has formerly met such requirements will be eligible for payments which include Federal participation if during such period or periods such home promptly takes all necessary steps to again meet such requirements.

COST SHARING AND SIMILAR CHARGES WITH RESPECT TO INPATIENT
HOSPITAL SERVICES FURNISHED UNDER TITLE XIX

SEC. 235. (a) (1) Section 1902(a) (14) (A) of the Social Security Act is amended by striking out "no" and inserting in lieu thereof the following: "in the case of individuals receiving aid or assistance under State plans approved under titles I, X, XIV, XVI, and part A of title IV, no".

(2) Section 1902(a) (14) (B) of such Act is amended (A) by inserting "inpatient hospital services or" after "respect to", and (B) by striking out "him" and inserting in lieu thereof "to an individual".

(3) Section 1902(a) (15) of the Social Security Act is amended to read as follows:

"(15) in the case of eligible individuals 65 years of age or older who are covered by either or both of the insurance programs established by title XVIII, provide where, under the plan, all of any deductible, cost sharing, or similar charge imposed with respect to such individual under the insurance program established by such title is not met, the portion thereof which is met shall be determined on a basis reasonably related (as determined in accordance with standards approved by the Secretary and included in the plan) to such individual's income or his income and resources;"

(b) The amendments made by subsection (a) shall be effective in the case of calendar quarters beginning after December 31, 1967.

STATE PLAN REQUIREMENTS REGARDING LICENSING OF ADMINISTRATORS OF
SKILLED NURSING HOMES FURNISHING SERVICES UNDER STATE PLANS
APPROVED UNDER TITLE XIX

SEC. 236. (a) Section 1902(a) of the Social Security Act (as amended by the preceding sections of this Act) is further amended (1) by striking out the period at the end of paragraph (28) and inserting in lieu thereof a semicolon and (2) by adding at the end of such section 1902(a) the following new paragraph:

"(29) include a State program which meets the requirements set forth in section 1908, for the licensing of administrators of nursing homes."

(b) Title XIX of the Social Security Act (as amended by the preceding sections of this Act) is further amended by adding at the end thereof the following:

"STATE PROGRAMS FOR LICENSING OF ADMINISTRATORS OF NURSING HOMES

"SEC. 1908. (a) For purposes of section 1902(a) (29), a 'State program for the licensing of administrators of nursing homes' is a program which provides that no nursing home within the State may operate except under the supervision of an administrator licensed in the manner provided in this section.

"(b) Licensing of nursing home administrators shall be carried out by the agency of the State responsible for licensing under the healing arts licensing act of the State, or, in the absence of such act

79 Stat. 346.
42 USC 1396a.

42 USC 301,
1201, 1351, 1381;
Post. p. 911.

42 USC 1395-
1395ll.

Ante, pp. 903,
904, 906.

Ante, pp. 903,
905.

Supra.

or such an agency, a board representative of the professions and institutions concerned with care of chronically ill and infirm aged patients and established to carry out the purposes of this section.

“(c) It shall be the function and duty of such agency or board to—

“(1) develop, impose, and enforce standards which must be met by individuals in order to receive a license as a nursing home administrator, which standards shall be designed to insure that nursing home administrators will be individuals who are of good character and are otherwise suitable, and who, by training or experience in the field of institutional administration, are qualified to serve as nursing home administrators;

“(2) develop and apply appropriate techniques, including examinations and investigations, for determining whether an individual meets such standards;

“(3) issue licenses to individuals determined, after the application of such techniques, to meet such standards, and revoke or suspend licenses previously issued by the board in any case where the individual holding any such license is determined substantially to have failed to conform to the requirements of such standards;

“(4) establish and carry out procedures designed to insure that individuals licensed as nursing home administrators will, during any period that they serve as such, comply with the requirements of such standards;

“(5) receive, investigate, and take appropriate action with respect to, any charge or complaint filed with the board to the effect that any individual licensed as a nursing home administrator has failed to comply with the requirements of such standards; and

“(6) conduct a continuing study and investigation of nursing homes and administrators of nursing homes within the State with a view to the improvement of the standards imposed for the licensing of such administrators and of procedures and methods for the enforcement of such standards with respect to administrators of nursing homes who have been licensed as such.

“(d) No State shall be considered to have failed to comply with the provisions of section 1902(a) (29) because the agency or board of such State (established pursuant to subsection (b)) shall have granted any waiver, with respect to any individual who during all of the calendar year immediately preceding the calendar year in which the requirements prescribed in section 1902(a) (29) are first met by the State, has served as a nursing home administrator, of any of the standards developed, imposed, and enforced by such board pursuant to subsection (b) (1) other than such standards as relate to good character or suitability if—

Ante, p. 908.

“(1) such waiver is for a period which ends after being in effect for two years or on June 30, 1972, whichever is earlier, and

“(2) there is provided in the State (during all of the period for which waiver is in effect), a program of training and instruction designed to enable all individuals, with respect to whom any such waiver is granted, to attain the qualifications necessary in order to meet such standards.

“(e) (1) There are hereby authorized to be appropriated for fiscal year 1968 and the four succeeding fiscal years such sums as may be necessary to enable the Secretary to make grants to States for the purpose of assisting them in instituting and conducting programs of training and instruction of the type referred to in subsection (d) (2).

“(2) No grant with respect to any such program shall exceed 75 per centum of the reasonable and necessary cost, as determined by the Secretary, of instituting and conducting such program.

National Advisory Council on Nursing Home Administration.

“(f) (1) For the purpose of advising the Secretary and the States in carrying out the provisions of this section, there is hereby created a National Advisory Council on Nursing Home Administration which shall consist of nine persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Secretary shall from time to time appoint one of the members to serve as Chairman. The members shall include, but not be limited to, representatives of State health officers, State welfare directors, nursing home administrators, and university programs in public health or medical care administration.

80 Stat. 417. 5 USC 3301 et seq. Membership.

Duties.

“(2) In addition to the function stated in paragraph (1) of this subsection, it shall be the function and duty of the Council (A) to study and identify the core of knowledge that should constitute minimally the training in the field of institutional administration which should qualify an individual to serve as a nursing home administrator; (B) to study and identify the experience in the field of institutional administration that a nursing home administrator should be required to possess; (C) to study and develop model techniques for determining whether an individual possesses such qualifications; (D) to study and develop model criteria for granting waivers under the provisions of subsection (d); (E) to study and develop suggested programs of training referred to in subsection (d); (F) to study, develop, and recommend programs of training and instruction for those desiring to pursue a career in nursing home administration; (G) to complete the functions in (A) through (E) above by July 1, 1969, and submit a written report to the Secretary which report shall be submitted to the States to assist them in carrying out the provisions of this section.

Compensation, travel expenses.

“(3) Members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, 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 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

80 Stat. 499.

Termination.

“(4) The Secretary may at the request of the Council engage such technical assistance as may be required to carry out its functions; and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare as the Council may require to carry out its functions.

“(5) The Council shall be appointed by the Secretary prior to July 1, 1968, and shall cease to exist as of December 31, 1971.

“Nursing home.”

“(g) As used in this section, the term—

“(1) ‘nursing home’ means any institution or facility defined as such for licensing purposes under State law, or, if State law does not employ the term nursing home, the equivalent term or terms as determined by the Secretary; and

“Nursing home administrator.”

“(2) ‘nursing home administrator’ means any individual who is charged with the general administration of a nursing home whether or not such individual has an ownership interest in such home and whether or not his functions and duties are shared with one or more other individuals.”

(c) Except as otherwise specified in the text thereof, the amendments made by this section shall take effect on July 1, 1970.

UTILIZATION OF CARE AND SERVICES FURNISHED UNDER TITLE XIX

SEC. 237. Effective April 1, 1968, section 1902(a) of the Social Security Act (as amended by the preceding sections of this Act) is further amended by—

(a) striking out the period at the end and inserting in lieu thereof the following “; and”; and

(b) inserting after paragraph (29) (added to the Social Security Act by section 236 of this Act) the following paragraph:

“(30) provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan as may be necessary to safeguard against unnecessary utilization of such care and services and to assure that payments (including payments for any drugs provided under the plan) are not in excess of reasonable charges consistent with efficiency, economy, and quality of care.”

Ante, p. 908.

DIFFERENCES IN STANDARDS WITH RESPECT TO INCOME ELIGIBILITY UNDER TITLE XIX

SEC. 238. Effective July 1, 1969, section 1902(a) (17) of the Social Security Act is amended by striking out “(which shall be comparable for all groups)” and inserting in lieu thereof the following: “(which shall be comparable for all groups and may, in accordance with standards prescribed by the Secretary, differ with respect to income levels, but only in the case of applicants or recipients of assistance under the plan who are not receiving aid or assistance under the State’s plan approved under title I, X, XIV, or XVI, or part A of title IV, based on the variations between shelter costs in urban areas and in rural areas)”.

79 Stat. 346.
42 USC 1396a.

42 USC 301,
1201, 1351, 1381;
Infra.

PART 3—CHILD-WELFARE SERVICES AMENDMENTS

INCLUSION OF CHILD-WELFARE SERVICES IN TITLE IV

SEC. 240. (a) The heading of title IV of the Social Security Act is amended to read as follows:

76 Stat. 185.
42 USC 601-609.

“TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES”

(b) Title IV of such Act is further amended by inserting immediately after the heading of the title the following:

“PART A—AID TO FAMILIES WITH DEPENDENT CHILDREN”

(c) Title IV of such Act is further amended by adding at the end thereof the following new part:

49 Stat. 627;
76 Stat. 186.

“PART B—CHILD-WELFARE SERVICES

“APPROPRIATION

“SEC. 420. For the purpose of enabling the United States, through the Secretary, to cooperate with State public welfare agencies in establishing, extending, and strengthening child-welfare services, the following sums are hereby authorized to be appropriated: \$55,000,000 for the fiscal year ending June 30, 1968, \$100,000,000 for the fiscal year ending June 30, 1969, and \$110,000,000 for each fiscal year thereafter.

"ALLOTMENTS TO STATES

Ante, p. 911.

"SEC. 421. The sum appropriated pursuant to section 420 for each fiscal year shall be allotted by the Secretary for use by cooperating State public welfare agencies which have plans developed jointly by the State agency and the Secretary, as follows: He shall allot \$70,000 to each State, and shall allot to each State an amount which bears the same ratio to the remainder of the sum so appropriated for such year as the product of (1) the population of such State under the age of 21 and (2) the allotment percentage of such State (as determined under section 423) bears to the sum of the corresponding products of all the States.

Post, p. 913.

"PAYMENT TO STATES

"SEC. 422. (a) From the sums appropriated therefor and the allotment available under this part, the Secretary shall from time to time pay to each State—

Post, p. 915.

"(1) that has a plan for child-welfare services which has been developed as provided in this part and which—

42 USC 601-609.

Ante, p. 911.

"(A) provides for coordination between the services provided under such plan and the services provided for dependent children under the State plan approved under part A of this title, with a view to provision of welfare and related services which will best promote the welfare of such children and their families, and

"(B) provides, with respect to day care services (including the provision of such care) provided under this title—

"(i) for cooperative arrangements with the State health authority and the State agency primarily responsible for State supervision of public schools to assure maximum utilization of such agencies in the provision of necessary health services and education for children receiving day care,

"(ii) for an advisory committee, to advise the State public welfare agency on the general policy involved in the provision of day care services under the plan, which shall include among its members representatives of other State agencies concerned with day care or services related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with the provision of day care,

"(iii) for such safeguards as may be necessary to assure provision of day care under the plan only in cases in which it is in the best interest of the child and the mother and only in cases in which it is determined, under criteria established by the State, that a need for such care exists; and, in cases in which the family is able to pay part or all of the costs of such care, for payment of such fees as may be reasonable in the light of such ability,

"(iv) for giving priority, in determining the existence of need for such day care, to members of low-income or other groups in the population, and to geographical areas, which have the greatest relative need for extension of such day care, and

"(v) that day care provided under the plan will be provided only in facilities (including private homes) which are licensed by the State, or approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, and

“(vi) for the development and implementation of arrangements for the more effective involvement of the parent or parents in the appropriate care of the child and the improvement of the health and development of the child, and

“(2) that makes a satisfactory showing that the State is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff (which shall to the extent feasible be composed of trained child-welfare personnel) of the State public welfare agency or of the local agency participating in the administration of the plan in the political subdivision,

except that (effective July 1, 1969, or, if earlier, on the date as of which the modification of the State plan to comply with this requirement with respect to subprofessional staff is approved) such plan shall provide for the training and effective use of paid subprofessional staff with particular emphasis on the full-time or part-time employment of persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in providing services and in assisting any advisory committees established by the State agency, an amount equal to the Federal share (as determined under section 423) of the total sum expended under such plan (including the cost of administration of the plan) in meeting the costs of State, district, county, or other local child-welfare services, in developing State services for the encouragement and assistance of adequate methods of community child-welfare organization, in paying the costs of returning any runaway child who has not attained the age of eighteen to his own community in another State, and of maintaining such child until such return (for a period not exceeding fifteen days), in cases in which such costs cannot be met by the parents of such child or by any person, agency, or institution legally responsible for the support of such child. In developing such services for children, the facilities and experience of voluntary agencies shall be utilized in accordance with child-care programs and arrangements in the State and local communities as may be authorized by the State.

“(b) The method of computing and paying such amounts shall be as follows:

“(1) The Secretary shall, prior to the beginning of each period for which a payment is to be made, estimate the amount to be paid to the State for such period under the provisions of subsection (a).

“(2) From the allotment available therefor, the Secretary shall pay the amount so estimated, reduced or increased, as the case may be, by any sum (not previously adjusted under this section) by which he finds that his estimate of the amount to be paid the State for any prior period under this section was greater or less than the amount which should have been paid to the State for such prior period under this section.

“ALLOTMENT PERCENTAGE AND FEDERAL SHARE

“SEC. 423. (a) The ‘allotment percentage’ for any State shall be 100 per centum less the State percentage; and the State percentage shall be that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of

the United States; except that (1) the allotment percentage shall in no case be less than 30 per centum or more than 70 per centum, and (2) the allotment percentage shall be 70 per centum in the case of Puerto Rico, the Virgin Islands, and Guam.

“(b) The ‘Federal share’ for any State for any fiscal year shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (1) in no case shall the Federal share be less than $33\frac{1}{3}$ per centum or more than $66\frac{2}{3}$ per centum, and (2) the Federal share shall be $66\frac{2}{3}$ per centum in the case of Puerto Rico, the Virgin Islands, and Guam.

“(c) The Federal share and the allotment percentage for each State shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation: *Provided*, That the Federal shares and allotment percentages promulgated under section 524(c) of the Social Security Act in 1966 shall be effective for purposes of this section for the fiscal years ending June 30, 1968, and June 30, 1969.

42 USC 724.

“United States.”

“(d) For purposes of this section, the term ‘United States’ means the fifty States and the District of Columbia.

“REALLOTMENT

Ante, p. 912.

“SEC. 424. The amount of any allotment to a State under section 421 for any fiscal year which the State certifies to the Secretary will not be required for carrying out the State plan developed as provided in such section 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 developed for sums in excess of those previously allotted to them under that section and (2) will be able to use such excess amounts during such fiscal year. Such reallocations shall be made on the basis of the State plans so developed, after taking into consideration the population under the age of twenty-one, and the per capita income of each such State as compared with the population under the age of twenty-one, and the per capita income of all such States with respect to which such a determination by the Secretary has been made. Any amount so reallocated to a State shall be deemed part of its allotment under section 421.

“DEFINITION

“Child-welfare services.”

“SEC. 425. For purposes of this title, the term ‘child-welfare services’ means public social services which supplement, or substitute for, parental care and supervision for the purpose of (1) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children, (2) protecting and caring for homeless, dependent, or neglected children, (3) protecting and promoting the welfare of children of working mothers, and (4) otherwise protecting and promoting the welfare of children, including the strengthening of their own homes where possible or, where needed, the provision of adequate care of children away from their homes in foster family homes or day-care or other child-care facilities.

“RESEARCH, TRAINING, OR DEMONSTRATION PROJECTS

“SEC. 426. (a) There are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine—

“(1) for grants by the Secretary—

“(A) to public or other nonprofit institutions of higher learning, and to public or other nonprofit agencies and organizations engaged in research or child-welfare activities, for special research or demonstration projects in the field of child welfare which are of regional or national significance and for special projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare;

“(B) to State or local public agencies responsible for administering, or supervising the administration of, the plan under this part, for projects for the demonstration of the utilization of research (including findings resulting therefrom) in the field of child welfare in order to encourage experimental and special types of welfare services; and

“(C) to public or other nonprofit institutions of higher learning for special projects for training personnel for work in the field of child welfare, including traineeships with such stipends and allowances as may be permitted by the Secretary; and

“(2) for contracts or jointly financed cooperative arrangements with States and public and other organizations and agencies for the conduct of research, special projects, or demonstration projects relating to such matters.

“(b) Payments of grants or under contracts or cooperative arrangements under this section may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the grants, contracts, or other arrangements.”

(d) (1) Subparagraphs (A) and (B) of section 422(a)(1) of the Social Security Act (as added by subsection (c) of this section) are redesignated as (B) and (C).

Ante, p. 912.

(2) So much of paragraph (1) of section 422(a) of such Act (as added by subsection (c) of this section) as precedes subparagraph (B) (as redesignated) is amended to read as follows:

“(1) that has a plan for child-welfare services which has been developed as provided in this part and which—

“(A) provides that (i) the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part A of this title will administer or supervise the administration of such plan for child-welfare services and (ii) to the extent that child-welfare services are furnished by the staff of the State agency or local agency administering such plan for child-welfare services, the organizational unit in such State or local agency established pursuant to section 402(a)(15) will be responsible for furnishing such child-welfare services.”

42 USC 602.

42 USC 601-609.
Ante, p. 911.

Ante, p. 878.

(e) (1) Part 3 of title V of the Social Security Act is repealed on the date this Act is enacted.

Repeal.
72 Stat. 1052.
42 USC 721-728.

(2) Part B of title IV of the Social Security Act (as added by subsection (c) of this section), and the amendments made by subsections (a) and (b) of this section, shall become effective on the date this Act is enacted.

(3) The amendments made by paragraphs (1) and (2) of subsection (d) shall become effective July 1, 1969, except that (A) if on the date of enactment of this Act the agency of a State administering its plan for child-welfare services developed under part B of title IV of the Social Security Act is different from the agency of the State designated pursuant to section 402(a)(3) of such Act, so much of paragraph (1) of section 422(a) of such Act as precedes subparagraph (B) (as added by paragraph (2) of such subsection (d)) shall not apply with respect to such agencies but only so long as such agencies of the State are different, and (B) if on such date the local agency administering the plan of a State for child-welfare services developed under part B of title IV of the Social Security Act is different from the local agency in such subdivision administering the plan of such State under part A of title IV of such Act, so much of such paragraph (1) as precedes such subparagraph (B) shall not apply with respect to such local agencies but only so long as such local agencies are different.

(f) In the case of any State which has a plan developed as provided in part 3 of title V of the Social Security Act as in effect prior to the enactment of this Act—

(1) such plan shall be treated as a plan developed, as provided in part B of title IV of such Act, on the date this Act is enacted;

(2) any sums appropriated, allotted, or reallocated pursuant to part 3 of title V for the fiscal year ending June 30, 1968, shall be deemed appropriated, allotted, or reallocated (as the case may be) under part B of title IV of such Act for such fiscal year; and

(3) any overpayment or underpayment which the Secretary determines was made to the State under section 523 of the Social Security Act and with respect to which adjustment has not then already been made under subsection (b) of such section shall, for purposes of section 422 of such Act, be considered an overpayment or underpayment (as the case may be) made under section 422 of such Act.

(g) Any sums appropriated or grants made pursuant to section 526 of the Social Security Act (as in effect prior to the enactment of this Act) shall be deemed to have been appropriated or made (as the case may be) under section 426 of the Social Security Act (as added by subsection (c) of this section).

(h) Each State plan approved under title IV of the Social Security Act as in effect on the day preceding the date of the enactment of this Act shall be deemed, without the necessity of any change in such plan, to have been conformed with the amendments made by subsections (a) and (b) of this section.

CONFORMING AMENDMENTS

SEC. 241. (a) Section 228(d)(1) of the Social Security Act is amended by striking out "IV," and by inserting after "XVI," the following: "or part A of title IV,".

(b)(1) The first sentence of section 401 of the Social Security Act is amended by striking out "title" and inserting in lieu thereof "part".

(2) The proviso in section 403(a)(3)(D) of such Act is amended by striking out "title" and inserting in lieu thereof "part".

(3) The last sentence of section 403(c)(2) of such Act is amended by striking out "title" and inserting in lieu thereof "part".

(4) Section 404(b) of such Act is amended by striking out "title" and inserting in lieu thereof "part".

(5) Section 406 of such Act is amended by striking out "title" in the matter preceding subsection (a) and inserting in lieu thereof "part".

Ante, p. 911.

42 USC 602.

Ante, p. 915.

42 USC 601-609.

Ante, p. 911.

72 Stat. 1052.

42 USC 721-728.

42 USC 723.

Ante, pp. 912,
915.

42 USC 726.

42 USC 601-609.

42 USC 428.

42 USC 601.

42 USC 603.

42 USC 604.

42 USC 606.

- (c) (1) Section 1106(c) (1) of such Act is amended by striking out "IV," and by inserting after "XIX," the following: "or part A of title IV." 42 USC 1306.
- (2) Section 1109 of such Act is amended by striking out "IV," and by inserting after "XIX" the following: ", or part A of title IV,". 42 USC 1309.
- (3) Section 1111 of such Act is amended by striking out "IV," and by inserting after "XVI," the following: "and part A of title IV,". 42 USC 1311.
- (4) Section 1115 of such Act is amended by striking out "IV," and by inserting after "XIX" the following: ", or part A of title IV,". 42 USC 1315.
- (5) Section 1116 of such Act is amended— 42 USC 1316.
- (A) by striking out "IV," in subsection (a) (1), and by inserting after "XIX," in such subsection the following: "or part A of title IV,"; and
- (B) by striking out "IV," in subsections (b) and (d), and by inserting after "XIX" in such subsections the following: ", or part A of title IV,".
- (6) Section 1117 of such Act is amended— 42 USC 1317.
- (A) by striking out "IV," in clause (A) of subsection (a) (2), and by inserting after "XIX" in such clause the following: ", and part A of title IV,";
- (B) by striking out "IV," each place it appears in subsection (b);
- (C) by inserting after "and XIX" in subsection (b) the following: ", and part A of title IV,";
- (D) by inserting after "or XIX" in subsection (b) the following: ", or part A of title IV,".
- (7) Section 1118 of such Act is amended by striking out "IV," and by inserting after "XVI," the following: "and part A of title IV,". 42 USC 1318.
- (d) Section 1602(a) (11) of such Act is amended by striking out "title IV, X, or XIV" and inserting in lieu thereof "part A of title IV or under title X or XIV". 42 USC 1382.
- (e) (1) Section 1843(b) (2) of such Act is amended by striking out "IV," and by inserting after "XVI" the following: ", and part A of title IV". 42 USC 1395v.
- (2) Section 1843(f) of such Act is amended—
- (A) by striking out "IV," in the first sentence, and by inserting after "XVI," the first place it appears in such sentence the following: "or part A of title IV,"; and
- (B) by striking out "IV," in the second sentence, and by inserting after "XVI" in such sentence the following: ", and part A of title IV".
- (f) (1) Section 1902(a) (10) of such Act is amended by striking out "IV," and by inserting after "XVI" the following: ", and part A of title IV". 42 USC 1396a.
- (2) Section 1902(a) (17) of such Act is amended by striking out "IV," and by inserting after "XVI" the following: ", or part A of title IV".
- (3) Section 1902(b) (2) of such Act is amended by striking out "title IV" and inserting in lieu thereof "part A of title IV".
- (4) Section 1902(c) of such Act is amended by striking out "IV," and by inserting after "XVI" the following: ", or part A of title IV".
- (5) Section 1903(a) (1) of such Act is amended by striking out "IV," and by inserting after "XVI," the following: "or part A of title IV,". 42 USC 1396b.
- (6) Section 1905(a) (ii) of such Act is amended by striking out "title IV" and inserting in lieu thereof "part A of title IV". 42 USC 1396d.

PART 4—MISCELLANEOUS AND TECHNICAL AMENDMENTS

PARTIAL PAYMENTS TO STATES

SEC. 245. Sections 4, 404(a), 1004, and 1404 of the Social Security Act are each amended—

(1) by striking out “further payments will not be made to the State” and inserting in lieu thereof “further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure)”; and

(2) by striking out the last sentence and inserting in lieu thereof the following: “Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).”

49 Stat. 622,
628, 646;
64 Stat. 557.
42 USC 304,
604, 1204, 1354.

CONTRACTS FOR COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS

SEC. 246. Section 1110(a)(2) of the Social Security Act is amended by striking out “nonprofit”.

70 Stat. 851.
42 USC 1310.

PERMANENT AUTHORITY TO SUPPORT DEMONSTRATION PROJECTS

SEC. 247. Section 1115 of the Social Security Act is amended—

(1) by striking out “\$2,000,000” and inserting in lieu thereof “\$4,000,000”; and

(2) by striking out “ending prior to July 1, 1968” and inserting in lieu thereof “beginning after June 30, 1967”.

76 Stat. 192.
42 USC 1315.

Ante, p. 94.

SPECIAL PROVISIONS RELATING TO PUERTO RICO, THE VIRGIN ISLANDS,
AND GUAM

SEC. 248. (a) (1) Section 1108 of the Social Security Act is amended to read as follows:

76 Stat. 206.
42 USC 1308.

“LIMITATION ON PAYMENTS TO PUERTO RICO, THE VIRGIN ISLANDS,
AND GUAM

“SEC. 1108. (a) The total amount certified by the Secretary of Health, Education, and Welfare under title I, X, XIV, and XVI, and under part A of title IV (exclusive of any amounts on account of services and items to which subsection (b) applies)—

“(1) for payment to Puerto Rico shall not exceed—

“(A) \$12,500,000 with respect to the fiscal year 1968,

“(B) \$15,000,000 with respect to the fiscal year 1969,

“(C) \$18,000,000 with respect to the fiscal year 1970,

“(D) \$21,000,000 with respect to the fiscal year 1971, or

“(E) \$24,000,000 with respect to the fiscal year 1972 and each fiscal year thereafter;

“(2) for payment to the Virgin Islands shall not exceed—

“(A) \$425,000 with respect to the fiscal year 1968,

“(B) \$500,000 with respect to the fiscal year 1969,

“(C) \$600,000 with respect to the fiscal year 1970,

“(D) \$700,000 with respect to the fiscal year 1971, or

“(E) \$800,000 with respect to the fiscal year 1972 and each fiscal year thereafter; and

“(3) for payment to Guam shall not exceed—

“(A) \$575,000 with respect to the fiscal year 1968,

42 USC 301,
1201, 1351, 1381;
Ante, p. 911.

- “(B) \$690,000 with respect to the fiscal year 1969,
 “(C) \$825,000 with respect to the fiscal year 1970,
 “(D) \$960,000 with respect to the fiscal year 1971, or
 “(E) \$1,100,000 with respect to the fiscal year 1972 and
 each fiscal year thereafter.

“(b) The total amount certified by the Secretary under part A of title IV, on account of family planning services and services provided under section 402(a) (19) with respect to any fiscal year—

42 USC 601-609.
Ante., p. 911.
Ante., p. 890.

“(1) for payment to Puerto Rico shall not exceed \$2,000,000,

“(2) for payment to the Virgin Islands shall not exceed \$65,000, and

“(3) for payment to Guam shall not exceed \$90,000.

“(c) The total amount certified by the Secretary under title XIX with respect to any fiscal year—

42 USC 1396-1396d.
Ante., pp. 903-908.

“(1) for payment to Puerto Rico shall not exceed \$20,000,000,

“(2) for payment to the Virgin Islands shall not exceed \$650,000, and

“(3) for payment to Guam shall not exceed \$900,000.

“(d) Notwithstanding the provisions of sections 502(a) and 512(a) of this Act, and the provisions of sections 421, 503(1), and 504(1) of this Act as amended by the Social Security Amendments of 1967, and until such time as the Congress may by appropriation or other law otherwise provide, the Secretary shall, in lieu of the initial allotment specified in such sections, allot such smaller amounts to Guam as he may deem appropriate.”

42 USC 702, 712.
Ante., p. 912.
Post., p. 922.

(2) The amendment made by paragraph (1) shall apply with respect to fiscal years beginning after June 30, 1967.

(b) Notwithstanding subparagraphs (A) and (B) of section 403 (a) (3) of such Act (as amended by this Act), the rate specified in such subparagraphs in the case of Puerto Rico, the Virgin Islands, and Guam shall be 60 per centum (rather than 75 or 85 per centum).

Ante., p. 879.

(c) Effective July 1, 1969, neither the provisions of clauses (A) through (C) of section 402(a) (7) of such Act as in effect before the enactment of this Act nor the provisions of section 402(a) (8) of such Act as amended by section 202(b) of this Act shall apply in the case of Puerto Rico, the Virgin Islands, or Guam. Effective no later than July 1, 1972, the State plans of Puerto Rico, the Virgin Islands, and Guam approved under section 402 of such Act shall provide for the disregarding of income in making the determination under section 402(a) (7) of such Act in amounts (agreed to between the Secretary and the State agencies involved) sufficiently lower than the amounts specified in section 402(a) (8) of such Act to reflect appropriately the applicable differences in income levels.

42 USC 602.
Ante., p. 881.

(d) The amendment made by section 220(a) of this Act shall not apply in the case of Puerto Rico, the Virgin Islands, or Guam.

Ante., p. 898.

(e) Effective with respect to quarters after 1967, section 1905(b) of such Act is amended by striking out “55 per centum” and inserting in lieu thereof “50 per centum”.

79 Stat. 352.
 42 USC 1396d.

APPROVAL OF CERTAIN PROJECTS

Sec. 249. Title XI of the Social Security Act is amended by adding at the end thereof (after the new section added by section 209 of this Act) the following new section:

Ante., p. 894.

“APPROVAL OF CERTAIN PROJECTS

“SEC. 1120. (a) No payment shall be made under this Act with respect to any experimental, pilot, demonstration, or other project all or any part of which is wholly financed with Federal funds made available under this Act (without any State, local, or other non-Federal

financial participation) unless such project shall have been personally approved by the Secretary or Under Secretary of Health, Education, and Welfare.

“(b) As soon as possible after the approval of any project under subsection (a), the Secretary shall submit to the Congress a description of such project including a statement of its purpose, probable cost, and expected duration.”

ASSISTANCE IN THE FORM OF INSTITUTIONAL SERVICES IN INTERMEDIATE CARE FACILITIES

Ante, pp. 894, 919.

SEC. 250. (a) Title XI of the Social Security Act (as amended by sections 209 and 249 of this Act) is further amended by adding at the end thereof the following new section:

“ASSISTANCE IN THE FORM OF INSTITUTIONAL SERVICES IN INTERMEDIATE CARE FACILITIES

42 USC 301.
42 USC 1201.
42 USC 1351.
42 USC 1381.

“SEC. 1121. (a) Any State which has in effect a plan for old-age assistance, approved under title I, a plan for aid to the blind, approved under title X, a plan for aid to the permanently and totally disabled, approved under title XIV, or a plan for aid to the aged, blind, or disabled, approved under title XVI, may, on or after January 1, 1968, modify such plan to include therein benefits in the form of institutional services in intermediate care facilities for individuals who are entitled (or would, if not receiving institutional services in intermediate care facilities, be entitled) to assistance, under such plan, in the form of money payments.

“(b) Any modification pursuant to subsection (a) shall provide that benefits in the form of institutional services in intermediate care facilities will be provided only to individuals who—

“(1) are entitled (or would, if not receiving institutional services in intermediate care facilities, be entitled) to receive aid or assistance, under the State plan, in the form of money payments;

“(2) because of their physical or mental condition (or both), require living accommodations and care which, as a practical matter, can be made available to them only through institutional facilities; and

“(3) do not have such an illness, disease, injury, or other condition as to require the degree of care and treatment which a hospital or skilled nursing home (as that term is employed in title XIX) is designed to provide.

42 USC 1396.
Ante, pp. 903-908.

“(c) Payments to any State which modifies its approved State plan (referred to in subsection (a)) to provide, to the recipients of aid or assistance thereunder, benefits in the form of institutional services in intermediate care facilities shall be made in the same manner and from the same appropriation as payments made with respect to expenditures under the State plan so modified, except that, with respect to expenditures made by the State in paying the cost of benefits in the form of institutional services in intermediate care facilities for any quarter, the Secretary shall, if the State so elects, pay to each State an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)).

42 USC 1396d.
Ante, p. 919.

“(d) Except when inconsistent with the purposes of this section or contrary to any provision of this section, any modification, pursuant to this section, of an approved State plan shall be subject to the same conditions, limitations, rights, and obligations as obtain with respect to such approved State plan.

“(e) For purposes of this section, the term ‘intermediate care facility’ means an institution or distinct part thereof which (1) is licensed, under State law, to provide the patients or residents thereof, on a regular basis, the range or level of care and services which is suitable to the needs of individuals described in subsection (b) (2) and (3), but which does not provide the degree of care required to be provided by a skilled nursing home furnishing services under a State plan approved under title XIX, and (2) meets such standards of safety and sanitation as are applicable to nursing homes under State law; except that in no case shall such term include an institution which does not regularly provide a level of care and service beyond room and board. The term ‘intermediate care facility’ also includes a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services deemed appropriate by the State.”

“Intermediate care facility.”

42 USC 1396-1396d.
Ante, pp. 903-908.

TITLE III—IMPROVEMENT OF CHILD HEALTH

Child Health Act of 1967.

CONSOLIDATION OF SEPARATE PROGRAMS UNDER TITLE V OF THE SOCIAL SECURITY ACT

SEC. 301. Effective with respect to fiscal years beginning after June 30, 1968, title V of the Social Security Act (as otherwise amended by this Act) is amended to read as follows:

49 Stat. 629.
42 USC 701-731.
Ante, p. 915.
Post, p. 929.

“TITLE V—MATERNAL AND CHILD HEALTH AND CRIPPLED CHILDREN’S SERVICES

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 501. For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State,

“(1) services for reducing infant mortality and otherwise promoting the health of mothers and children; and

“(2) services for locating, and for medical, surgical, corrective, and other services and care for and facilities for diagnosis, hospitalization, and aftercare for, children who are crippled or who are suffering from conditions leading to crippling,

there are authorized to be appropriated \$250,000,000 for the fiscal year ending June 30, 1969, \$275,000,000 for the fiscal year ending June 30, 1970, \$300,000,000 for the fiscal year ending June 30, 1971, \$325,000,000 for the fiscal year ending June 30, 1972, and \$350,000,000 for the fiscal year ending June 30, 1973, and each fiscal year thereafter.

“PURPOSES FOR WHICH FUNDS ARE AVAILABLE

“SEC. 502. Appropriations pursuant to section 501 shall be available for the following purposes in the following proportions:

“(1) In the case of the fiscal year ending June 30, 1969, and each of the next 3 fiscal years, (A) 50 percent of the appropriation for such year shall be for allotments pursuant to sections 503 and 504; (B) 40 percent thereof shall be for grants pursuant to sections 508, 509, and 510; and (C) 10 percent thereof shall be for grants, contracts, or other arrangements pursuant to sections 511 and 512.

“(2) In the case of the fiscal year ending June 30, 1973, and each fiscal year thereafter, (A) 90 percent of the appropriation for such years shall be for allotments pursuant to sections 503 and

504; and (B) 10 percent thereof shall be for grants, contracts, or other arrangements pursuant to sections 511 and 512. Not to exceed 5 percent of the appropriation for any fiscal year under this section shall be transferred, at the request of the Secretary, from one of the purposes specified in paragraph (1) or (2) to another purpose or purposes so specified. For each fiscal year, the Secretary shall determine the portion of the appropriation, within the percentage determined above to be available for sections 503 and 504, which shall be available for allotment pursuant to section 503 and the portion thereof which shall be available for allotment pursuant to section 504. Notwithstanding the preceding provisions of this section, of the amount appropriated for any fiscal year pursuant to section 501, not less than 6 percent of the amount appropriated shall be available for family planning services from allotments under section 503 and for family planning services under projects under sections 508 and 512.

“ALLOTMENTS TO STATES FOR MATERNAL AND CHILD HEALTH SERVICES

“SEC. 503. The amount determined to be available pursuant to section 502 for allotments under this section shall be allotted for payments for maternal and child health services as follows:

“(1) One-half of such amount shall be allotted by allotting to each State \$70,000 plus such part of the remainder of such one-half as he finds that the number of live births in such State bore to the total number of live births in the United States in the latest calendar year for which he has statistics.

“(2) The remaining one-half of such amount shall (in addition to the allotments under paragraph (1)) be allotted to the States from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of live births in such State; except that not more than 25 percent of such one-half shall be available for grants to State agencies (administering or supervising the administration of a State plan approved under section 505), and to public or other nonprofit institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute to the advancement of maternal and child health.

“ALLOTMENTS TO STATES FOR CRIPPLED CHILDREN'S SERVICES

“SEC. 504. The amount determined to be available pursuant to section 502 for allotments under this section shall be allotted for payments for crippled children's services as follows:

“(1) One-half of such amount shall be allotted by allotting to each State \$70,000 and allotting the remainder of such one-half according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in paragraph (2) of section 501 and the cost of furnishing such services to them.

“(2) The remaining one-half of such amount shall (in addition to the allotments under paragraph (1)) be allotted to the States from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of crippled children in each State in need of the services referred to in paragraph (2) of section 501 and the cost of furnishing such services to them; except that not more than 25 percent of such one-half shall be available for grants to State agencies (administering or supervising the administration of a State plan ap-

proved under section 505), and to public or other nonprofit institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute to the advancement of services for crippled children.

“APPROVAL OF STATE PLANS

“SEC. 505. (a) In order to be entitled to payments from allotments under section 502, a State must have a State plan for maternal and child health services and services for crippled children which—

“(1) provides for financial participation by the State;

“(2) provides for the administration of the plan by the State health agency or the supervision of the administration of the plan by the State health agency; except that in the case of those States which on July 1, 1967, provided for administration (or supervision thereof) of the State plan approved under section 513 (as in effect on such date) by a State agency other than the State health agency, the plan of such State may be approved under this section if it would meet the requirements of this subsection except for provision of administration (or supervision thereof) by such other agency for the portion of the plan relating to services for crippled children, and, in each such case, the portion of such plan which each such agency administers, or the administration of which each such agency supervises, shall be regarded as a separate plan for purposes of this title;

42 USC 713.

“(3) 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;

Post. p. 929.

“(4) provides that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

“(5) provides for cooperation with medical, health, nursing, educational, and welfare groups and organizations and, with respect to the portion of the plan relating to services for crippled children, with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children;

“(6) provides for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan;

“(7) provides, with respect to the portion of the plan relating to services for crippled children, for early identification of children in need of health care and services, and for health care and treatment needed to correct or ameliorate defects or chronic conditions discovered thereby, through provision of such periodic screening and diagnostic services, and such treatment, care and other measures to correct or ameliorate defects or chronic conditions, as may be provided in regulations of the Secretary;

“(8) effective July 1, 1972, provides a program (carried out directly or through grants or contracts) of projects described in section 508 which offers reasonable assurance, particularly in areas with concentrations of low-income families, of satisfactorily

helping to reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with child bearing and of satisfactorily helping to reduce infant and maternal mortality;

“(9) effective July 1, 1972, provides a program (carried out directly or through grants or contracts) of projects described in section 509 which offers reasonable assurance, particularly in areas with concentrations of low-income families, of satisfactorily promoting the health of children and youth of school or preschool age;

“(10) effective July 1, 1972, provides a program (carried out directly or through grants or contracts) of projects described in section 510 which offers reasonable assurance, particularly in areas with concentrations of low-income families, of satisfactorily promoting the dental health of children and youth of school or preschool age;

“(11) provides for carrying out the purposes specified in section 501;

“(12) provides for the development of demonstration services (with special attention to dental care for children and family planning services for mothers) in needy areas and among groups in special need,

“(13) provides that, where payment is authorized under the plan for services which an optometrist is licensed to perform, the individual for whom such payment is authorized may, to the extent practicable, obtain such services from an optometrist licensed to perform such services except where such services are rendered in a clinic, or another appropriate institution, which does not have an arrangement with optometrists so licensed; and

“(14) provides that acceptance of family planning services provided under the plan shall be voluntary on the part of the individual to whom such services are offered and shall not be a prerequisite to eligibility for or the receipt of any service under the plan.

“(b) The Secretary shall approve any plan which meets the requirements of subsection (a).

“PAYMENTS

“SEC. 506. (a) From the sums appropriated therefor and the allotments available under section 503(1) or 504(1), as the case may be, the Secretary shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing July 1, 1968, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan with respect to maternal and child health services and services for crippled children, respectively.

“(b) (1) Prior to the beginning of each quarter, the Secretary shall estimate the amount to which a State will be entitled under subsection (a) for such quarter, such estimates to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Secretary may find necessary.

“(2) The Secretary shall then pay to the State, in such installments as he may determine, the amount so estimated, reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this section to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

“(3) Upon the making of an estimate by the Secretary under this subsection, any appropriations available for payments under this section shall be deemed obligated.

“(c) The Secretary shall also from time to time make payments to the States from their respective allotments pursuant to section 503(2) or 504(2). Payments of grants under sections 503(2), 504(2), 508, 509, 510, and 511, and of grants, contracts, or other arrangements under section 512, may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the section involved.

“(d) The total amount determined under subsections (a) and (b) and the first sentence of subsection (c) for any fiscal year ending after June 30, 1968, shall be reduced by the amount by which the sum expended (as determined by the Secretary) from non-Federal sources for maternal and child health services and services for crippled children for such year is less than the sum expended from such sources for such services for the fiscal year ending June 30, 1968. In the case of any such reduction, the Secretary shall determine the portion thereof which shall be applied, and the manner of applying such reduction, to the amounts otherwise payable from allotments under section 503 or section 504.

“(e) Notwithstanding the preceding provisions of this section, no payment shall be made to any State thereunder from the allotments under section 503 or section 504 for any period after June 30, 1968, unless the State makes a satisfactory showing that it is extending the provision of services, including services for dental care for children and family planning for mothers, to which such State's plan applies in the State with a view to making such services available by July 1, 1975, to children and mothers in all parts of the State.

“OPERATION OF STATE PLANS

“SEC. 507. If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

“(1) that the plan has been so changed that it no longer complies with the provisions of section 505; or

“(2) that 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 further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be any such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

“SPECIAL PROJECT GRANTS FOR MATERNITY AND INFANT CARE

“SEC. 508. (a) In order to help reduce the incidence of mental retardation and other handicapping conditions caused by complications associated with childbearing and to help reduce infant and maternal mortality, the Secretary is authorized to make, from the sums available under clause (B) of paragraph (1) of section 502, grants to the State health agency of any State and, with the consent of such agency, to the health agency of any political subdivision of the State, and to any other public or nonprofit private agency, institution, or organization, to pay not to exceed 75 percent of the cost (exclusive of general agency overhead) of any project for the provision of—

“(1) necessary health care to prospective mothers (including, after childbirth, health care to mothers and their infants) who have or are likely to have conditions associated with childbearing or are in circumstances which increase the hazards to the health of the mothers or their infants (including those which may cause physical or mental defects in the infants), or

“(2) necessary health care to infants during their first year of life who have any condition or are in circumstances which increase the hazards to their health, or

“(3) family planning services, but only if the State or local agency determines that the recipient will not otherwise receive such necessary health care or services because he is from a low-income family or for other reasons beyond his control. Acceptance of family planning services provided under a project under this section (and section 512) shall be voluntary on the part of the individual to whom such services are offered and shall not be a prerequisite to the eligibility for or the receipt of any service under such project.

“(b) No grant may be made under this section for any project for any period after June 30, 1972.

“SPECIAL PROJECT GRANTS FOR HEALTH OF SCHOOL AND PRESCHOOL CHILDREN

“SEC. 509. (a) In order to promote the health of children and youth of school or preschool age, particularly in areas with concentrations of low-income families, the Secretary is authorized to make, from the sums available under clause (B) of paragraph (1) of section 502, grants to the State health agency of any State and (with the consent of such agency) to the health agency of any political subdivision of the State, to the State agency of the State administering or supervising the administration of the State plan approved under section 505, to any school of medicine (with appropriate participation by a school of dentistry), and to any teaching hospital affiliated with such a school, to pay not to exceed 75 percent of the cost of projects of a comprehensive nature for health care and services for children and youth of school age or for preschool children (to help them prepare to start school). No project shall be eligible for a grant under this section unless it provides (1) for the coordination of health care and services provided under it with, and utilization (to the extent feasible) of, other State or local health, welfare, and education programs for such children, (2) for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary) of inpatient hospital services provided under the

project, and (3) that any treatment, correction of defects, or aftercare provided under the project is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control; and no such project for children and youth of school age shall be considered to be of a comprehensive nature for purposes of this section unless it includes (subject to the limitation in the preceding provisions of this sentence) at least such screening, diagnosis, preventive services, treatment, correction of defects, and aftercare, both medical and dental, as may be provided for in regulations of the Secretary.

“(b) No grant may be made under this section for any project for any period after June 30, 1972.

“SPECIAL PROJECT GRANTS FOR DENTAL HEALTH OF CHILDREN

“SEC. 510. (a) In order to promote the dental health of children and youth of school or preschool age, particularly in areas with concentrations of low-income families, the Secretary is authorized to make grants, from the sums available under clause (B) of paragraph (1) of section 502, to the State health agency of any State and (with the consent of such agency) to the health agency of any political subdivision of the State, and to any other public or nonprofit private agency, institution, or organization, to pay not to exceed 75 percent of the cost of projects of a comprehensive nature for dental care and services for children and youth of school age or for preschool children. No project shall be eligible for a grant under this section unless it provides that any treatment, correction of defects, or aftercare provided under the project is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control, and unless it includes (subject to the limitation of the foregoing provisions of this sentence) at least such preventive services, treatment, correction of defects, and after care, for such age groups, as may be provided in regulations of the Secretary. Such projects may also include research looking toward the development of new methods of diagnosis or treatment, or demonstration of the utilization of dental personnel with various levels of training.

“(b) No grant may be made under this section for any project for any period after June 30, 1972.

“TRAINING OF PERSONNEL

“SEC. 511. From the sums available under clause (C) of paragraph (1) or clause (B) of paragraph (2) of section 502, the Secretary is authorized to make grants to public or nonprofit private institutions of higher learning for training personnel for health care and related services for mothers and children, particularly mentally retarded children and children with multiple handicaps. In making such grants, the Secretary shall give special attention to programs providing training at the undergraduate level.

“RESEARCH PROJECTS RELATING TO MATERNAL AND CHILD HEALTH SERVICES AND CRIPPLED CHILDREN'S SERVICES

“SEC. 512. From the sums available under clause (C) of paragraph (1) or clause (B) of paragraph (2) of section 502, the Secretary is authorized to make grants to or jointly financed cooperative arrange-

ments with public or other nonprofit institutions of higher learning, and public or nonprofit private agencies and organizations engaged in research or in maternal and child health or crippled children's programs, and contracts with public or nonprofit private agencies and organizations engaged in research or in such programs, for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof. Effective with respect to grants made and arrangements entered into after June 30, 1968, (1) special emphasis shall be accorded to projects which will help in studying the need for, and the feasibility, costs, and effectiveness of, comprehensive health care programs in which maximum use is made of health personnel with varying levels of training, and in studying methods of training for such programs, and (2) grants under this section may also include funds for the training of health personnel for work in such projects.

"ADMINISTRATION

"SEC. 513. (a) The Secretary of Health, Education, and Welfare shall make such studies and investigations as will promote the efficient administration of this title.

"(b) Such portion of the appropriations for grants under section 501 as the Secretary may determine, but not exceeding one-half of 1 percent thereof, shall be available for evaluation by the Secretary (directly or by grants or contracts) of the programs for which such appropriations are made and, in the case of allotments from any such appropriation, the amount available for allotments shall be reduced accordingly.

"(c) Any agency, institution, or organization shall, if and to the extent prescribed by the Secretary, as a condition to receipt of grants under this title, cooperate with the State agency administering or supervising the administration of the State plan approved under title XIX in the provision of care and services, available under a plan or project under this title, for children eligible therefor under such plan approved under title XIX.

42 USC 1396-
1396d.
Ante, pp. 903-
908.

"DEFINITION

"SEC. 514. For purposes of this title, a crippled child is an individual under the age of 21 who has an organic disease, defect, or condition which may hinder the achievement of normal growth and development.

"OBSERVANCE OF RELIGIOUS BELIEFS

"SEC. 515. Nothing in this title shall be construed to require any State which has any plan or program approved under, or receiving financial support under, this title to compel any person to undergo any medical screening, examination, diagnosis, or treatment or to accept any other health care or services provided under such plan or program for any purpose (other than for the purpose of discovering and preventing the spread of infection or contagious disease or for the purpose of protecting environmental health), if such person objects (or, in case such person is a child, his parent or guardian objects) thereto on religious grounds."

CONFORMING AMENDMENTS

SEC. 302. (a) Section 1905(a)(4) of the Social Security Act is amended by inserting "(A)" after "(4)", and by inserting before the semicolon at the end thereof the following: "(B) effective July 1, 1969, such early and periodic screening and diagnosis of individuals who are eligible under the plan and are under the age of 21 to ascertain their physical or mental defects, and such health care, treatment, and other measures to correct or ameliorate defects and chronic conditions discovered thereby, as may be provided in regulations of the Secretary".

79 Stat. 351.
42 USC 1396d.

(b) Section 1902(a)(11) of such Act is amended by inserting "(A)" after "(11)", and by inserting before the semicolon at the end thereof the following: ", and (B) effective July 1, 1969, provide, to the extent prescribed by the Secretary, for entering into agreements, with any agency, institution, or organization receiving payments for part or all of the cost of plans or projects under title V, (i) providing for utilizing such agency, institution, or organization in furnishing care and services which are available under such plan or project under title V and which are included in the State plan approved under this section and (ii) making such provision as may be appropriate for reimbursing such agency, institution, or organization for the cost of any such care and services furnished any individual for which payment would otherwise be made to the State with respect to him under section 1903".

42 USC 1396a.

Ante, p. 921.

42 USC 1396b.

1968 AUTHORIZATION FOR MATERNITY AND INFANT CARE PROJECTS

SEC. 303. Section 531(a) of the Social Security Act is amended by striking out "and \$30,000,000 for each of the next three fiscal years" and inserting in lieu thereof "\$30,000,000 for each of the next 2 fiscal years, and \$35,000,000 for the fiscal year ending June 30, 1968".

77 Stat. 274.
42 USC 729.

USE OF SUBPROFESSIONAL STAFF AND VOLUNTEERS

SEC. 304. (a) Section 505(a)(3) of the Social Security Act (as added by section 301 of this Act) is amended by—

(1) striking out "provides" and inserting in lieu thereof "provides (A)";

(2) adding at the end before the semicolon the following: "and (B) provides for the training and effective use of paid subprofessional staff, with particular emphasis on the full-time or part-time employment of persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in providing services and in assisting any advisory committees established by the State agency".

(b) The amendment made by this section shall become effective July 1, 1969, or, if earlier (with respect to a State) on the date as of which the modification of the State plan to comply with such amendment is approved.

EXTENSION OF DUE DATE FOR CHILD MENTAL HEALTH REPORT

SEC. 305. Section 231(d) of the Social Security Amendments of 1965 (Public Law 89-97) is amended by striking out the word "two" and inserting in lieu thereof "three".

79 Stat. 360.
42 USC 242b
note.

SHORT TITLE

Citation of title. SEC. 306. This title may be cited as the "Child Health Act of 1967".

TITLE IV—GENERAL PROVISIONS

SOCIAL WORK MANPOWER AND TRAINING

49 Stat. 635;

79 Stat. 339.

42 USC 901-907.

SEC. 401. Title VII of the Social Security Act is amended by adding at the end thereof the following new section:

"GRANTS FOR EXPANSION AND DEVELOPMENT OF UNDERGRADUATE
AND GRADUATE PROGRAMS

"SEC. 707. (a) There is authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1969, and \$5,000,000 for each of the three succeeding fiscal years, for grants by the Secretary to public or nonprofit private colleges and universities and to accredited graduate schools of social work or an association of such schools to meet part of the costs of development, expansion, or improvement of (respectively) undergraduate programs in social work and programs for the graduate training of professional social work personnel, including the costs of compensation of additional faculty and administrative personnel and minor improvements of existing facilities. Not less than one-half of the sums appropriated for any fiscal year under the authority of this subsection shall be used by the Secretary for grants with respect to undergraduate programs.

"(b) In considering applications for grants under this section, the Secretary shall take into account the relative need in the States for personnel trained in social work and the effect of the grants thereon.

"(c) Payment of grants under this section may be made (after necessary adjustments on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and on such terms and conditions and in such installments, as the Secretary may determine.

"(d) For purposes of this section—

"(1) the term 'graduate school of social work' means a department, school, division, or other administrative unit, in a public or nonprofit private college or university, which provides, primarily or exclusively, a program of education in social work and allied subjects leading to a graduate degree in social work;

"(2) the term 'accredited' as applied to a graduate school of social work refers to a school which is accredited by a body or bodies approved for the purpose by the Commissioner of Education or with respect to which there is evidence satisfactory to the Secretary that it will be so accredited within a reasonable time; and

"(3) the term 'nonprofit' as applied to any college or university refers to a college or university which is a corporation or association, or is owned and operated 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."

"Graduate school of social work."

"Accredited."

"Nonprofit."

INCENTIVES FOR ECONOMY WHILE MAINTAINING OR IMPROVING QUALITY
IN THE PROVISION OF HEALTH SERVICES

SEC. 402. (a) The Secretary of Health, Education, and Welfare is authorized to develop and engage in experiments under which physicians who would otherwise be entitled to receive payment on the basis of reasonable charge, and organizations and institutions which

would otherwise be entitled to reimbursement or payment on the basis of reasonable cost, for services provided—

- (1) under title XVIII of the Social Security Act,
 - (2) under a State plan approved under title XIX of such Act, or
 - (3) under a plan developed under title V of such Act,
- and which are selected by the Secretary in accordance with regulations established by the Secretary, would be reimbursed or paid in any manner mutually agreed upon by the Secretary and the physician, organization, or institution. The method of payment (in the case of physicians) or reimbursement (in the case of an organization or institution) which may be applied in such experiments shall be such as the Secretary may select and may be based on charges or costs adjusted by incentive factors and may include specific incentive payments or reductions of payments for the performance of specific actions but in any case shall be such as he determines may, through experiment, be demonstrated to have the effect of increasing the efficiency and economy of health services through the creation of additional incentives to these ends without adversely affecting the quality of such services.

42 USC 1395.

42 USC 1396.
Ante, pp. 903-908.
Ante, p. 921.

(b) In the case of any experiment under subsection (a), the Secretary may waive compliance with the requirements of titles XVIII, XIX, and V of the Social Security Act insofar as such requirements relate to reimbursement or payment on the basis of reasonable cost, or (in the case of physicians) on the basis of reasonable charge; and costs incurred in such experiment in excess of the costs which would otherwise be reimbursed or paid under such titles may be reimbursed or paid to the extent that such waiver applies to them (with such excess being borne by the Secretary). No experiment shall be engaged in or developed under subsection (a) until the Secretary obtains the advice and recommendations of specialists who are competent to evaluate the proposed experiment as to the soundness of its objectives, the possibilities of securing productive results, the adequacy of resources to conduct the proposed experiment, and its relationship to other similar experiments already completed or in process.

(c) Section 1875(b) of the Social Security Act is amended by inserting after "under parts A and B" the following: "(including the experimentation authorized by section 402 of the Social Security Amendments of 1967)".

79 Stat. 332.
 42 USC 1395ll.

CHANGES TO REFLECT CODIFICATION OF TITLE 5, UNITED STATES CODE

SEC. 403. (a) (1) Section 210(a)(6)(C)(iv) of the Social Security Act is amended by striking out "under section 2 of the Act of August 4, 1947" and inserting in lieu thereof "under section 5351(2) of title 5, United States Code", and by striking out "; 5 U.S.C., sec. 1052".

42 USC 410.

(2) Section 210(a)(6)(C)(vi) of such Act is amended by striking out "the Civil Service Retirement Act" and inserting in lieu thereof "subchapter III of chapter 83 of title 5, United States Code,".

(3) Section 210(a)(7)(D)(ii) of such Act is amended by striking out "under section 2 of the Act of August 4, 1947" and inserting in lieu thereof "under section 5351(2) of title 5, United States Code", and by striking out "; 5 U.S.C. 1052".

(b) Section 215(h)(1) of such Act is amended—

42 USC 415.

(1) by striking out "of the Civil Service Retirement Act," and inserting in lieu thereof "of subchapter III of chapter 83 of title 5, United States Code,"; and

(2) by striking out "under the Civil Service Retirement Act" and inserting in lieu thereof "under subchapter III of chapter 83 of title 5, United States Code,".

42 USC 417.

(c) (1) Section 217(f) (1) of such Act is amended—

(A) by striking out "the Civil Service Retirement Act of May 29, 1930, as amended," and inserting in lieu thereof "subchapter III of chapter 83 of title 5, United States Code,"; and

(B) by striking out "such Act of May 29, 1930, as amended," and inserting in lieu thereof "such subchapter III".

(2) Section 217(f) (2) of such Act is amended by striking out "the Civil Service Retirement Act of May 29, 1930, as amended," and inserting in lieu thereof "subchapter III of chapter 83 of title 5, United States Code,".

42 USC 907.

(d) (1) Section 706(b) of such Act is amended by striking out "the civil service laws" and inserting in lieu thereof "the provisions of title 5, United States Code, governing appointments in the competitive service".

(2) Section 706(c) (2) of such Act is amended by striking out "section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)" and inserting in lieu thereof "section 5703 of title 5, United States Code,".

42 USC 1314.

(e) (1) Section 1114(b) of such Act is amended by striking out "the civil-service laws" and inserting in lieu thereof "the provisions of title 5, United States Code, governing appointments in the competitive service".

(2) Section 1114(f) of such Act is amended by striking out "the civil-service laws" and inserting in lieu thereof "the provisions of title 5, United States Code, governing appointments in the competitive service".

(3) Section 1114(g) of such Act is amended by striking out "section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2)" and inserting in lieu thereof "section 5703 of title 5, United States Code,".

42 USC 1361.

(f) (1) Section 1501(a) (6) of such Act is amended by striking out "the Civil Service Retirement Act of 1930" and inserting in lieu thereof "subchapter III of chapter 83 of title 5, United States Code,".

(2) Section 1501(a) (9) of such Act is amended by striking out "under section 2 of the Act of August 4, 1947" and inserting in lieu thereof "under section 5351(2) of title 5, United States Code", and by striking out "; 5 U.S.C., sec. 1052".

42 USC 1395s.

(g) (1) Section 1840(e) (1) of such Act is amended by striking out "the Civil Service Retirement Act, or other Act" and inserting in lieu thereof "subchapter III of chapter 83 of title 5, United States Code, or any other law".

(2) Section 1840(e) (2) of such Act is amended by striking out "such other Act" and inserting in lieu thereof "such other law".

79 Stat. 333.

42 USC 426a.

(h) Section 103(b) (3) of the Social Security Amendments of 1965 is amended—

(1) by striking out "the Federal Employees Health Benefits Act of 1959" in subparagraph (A) and inserting in lieu thereof "chapter 89 of title 5, United States Code"; and

(2) by striking out "such Act" in subparagraph (C) and inserting in lieu thereof "such chapter".

68 Stat. 1092.

(i) (1) Section 3121(b) (6) (C) (iv) of the Internal Revenue Code of 1954 is amended by striking out "under section 2 of the Act of August 4, 1947" and inserting in lieu thereof "under section 5351(2)

of title 5, United States Code”, and by striking out “; 5 U.S.C., sec. 1052”.

(2) Section 3121(b)(6)(C)(vi) of such Code is amended by striking out “the Civil Service Retirement Act” and inserting in lieu thereof “subchapter III of chapter 83 of title 5, United States Code,”.

70 Stat. 840.

(3) Section 3121(b)(7)(C)(ii) of such Code is amended by striking out “under section 2 of the Act of August 4, 1947” and inserting in lieu thereof “under section 5351(2) of title 5, United States Code”, and by striking out “; 5 U.S.C. 1052”.

79 Stat. 389.

MEANING OF SECRETARY

SEC. 404. As used in the amendments made by this Act (unless the context otherwise requires), the term “Secretary” means the Secretary of Health, Education, and Welfare.

“Secretary.”

STUDY OF RETIREMENT TEST AND OF DRUG STANDARDS AND COVERAGE

SEC. 405. (a) The Secretary of Health, Education, and Welfare is authorized and directed to study (1) the existing retirement test and proposals for the modification of such test (including proposals for an increase in old-age insurance benefit amounts on account of delayed retirement), (2) quality and cost standards for drugs for which payments are made under the Social Security Act, and (3) the coverage of drugs under part B of title XVIII of such Act.

42 USC 1305.

42 USC 1395j-1395w.

(b) On or before January 1, 1969, the Secretary shall transmit to the President and the Congress a report which shall contain his findings of fact and any conclusions or recommendations he may have.

Report to President and Congress.

TITLE V—MISCELLANEOUS PROVISIONS

EXTENSION OF PERIOD FOR FILING APPLICATION FOR EXEMPTION BY MEMBERS OF RELIGIOUS GROUPS OPPOSED TO INSURANCE

SEC. 501. (a) Section 1402(h)(2) of the Internal Revenue Code of 1954 (relating to time for filing applications by members of certain religious faiths) is amended to read as follows:

79 Stat. 391.

“(2) TIME FOR FILING APPLICATION.—For purposes of this subsection, an application must be filed—

“(A) In the case of an individual who has self-employment income (determined without regard to this subsection and subsection (c)(6)) for any taxable year ending before December 31, 1967, on or before December 31, 1968, and

79 Stat. 390.

“(B) In any other case, on or before the time prescribed for filing the return (including any extension thereof) for the first taxable year ending on or after December 31, 1967, for which he has self-employment income (as so determined), except that an application filed after such date but on or before the last day of the third calendar month following the calendar month in which the taxpayer is first notified in writing by the Secretary or his delegate that a timely application for an exemption from the tax imposed by this chapter has not been filed by him shall be deemed to be filed timely.”

(b) The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1950. For such purpose, chapter 2 of the Internal Revenue Code of 1954 shall be treated as applying to all taxable years beginning after such date.

68A Stat. 353;
70 Stat. 845.
26 USC 1401-1403.

(c) If refund or credit of any overpayment resulting from the enactment of this section is prevented on the date of the enactment of this Act or at any time on or before December 31, 1968, by the

operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed on or before December 31, 1968. No interest shall be allowed or paid on any overpayment resulting from the enactment of this section.

REFUND OF CERTAIN OVERPAYMENTS BY EMPLOYEES OF HOSPITAL
INSURANCE TAX

68A Stat. 797. SEC. 502. (a) Section 6413(c) of the Internal Revenue Code of 1954 (relating to special refunds of overpayments of certain employment taxes) is amended by adding at the end thereof the following new paragraph:

“(3) APPLICABILITY WITH RESPECT TO COMPENSATION OF EMPLOYEES SUBJECT TO THE RAILROAD RETIREMENT TAX ACT.—In the case of any individual who, during any calendar year after 1967, receives wages from one or more employers and also receives compensation which is subject to the tax imposed by section 3201 or 3211, such compensation shall, solely for purposes of applying paragraph (1) with respect to the tax imposed by section 3101(b), be treated as wages received from an employer with respect to which the tax imposed by section 3101(b) was deducted.”

73 Stat. 28, 29.
79 Stat. 395.

(b) (1) The second sentence of section 1402(b) of such Code (relating to definition of self-employment income) is amended (A) by inserting “(A)” immediately after “wages”, and (B) by inserting immediately before the period the following: “, and (B) includes, but solely with respect to the tax imposed by section 1401(b), compensation which is subject to the tax imposed by section 3201 or 3211”.

68A Stat. 355.

(2) The amendments made by paragraph (1) shall be effective only with respect to taxable years ending on or after December 31, 1968.

68A Stat. 747.

(c) (1) Section 6051(a) of the Internal Revenue Code of 1954 (relating to requirement of receipts for employees) is amended—

(A) by striking out “section 3101 or 3402” in the matter preceding paragraph (1) and inserting in lieu thereof “section 3101, 3201, or 3402”;

(B) by striking out “and” at the end of paragraph (5), and by striking out the period at the end of paragraph (6) and inserting in lieu thereof “, and”; and

(C) by inserting after paragraph (6) the following new paragraphs:

“(7) the total amount of compensation with respect to which the tax imposed by section 3201 was deducted, and

“(8) the total amount deducted as tax under section 3201.”

79 Stat. 337.

(2) Section 6051(c) of such Code (relating to additional requirements) is amended by striking out “section 3101” in the second sentence and inserting in lieu thereof “sections 3101 and 3201”.

(3) The amendments made by paragraphs (1) and (2) shall apply in respect of remuneration paid after December 31, 1967.

EXTENSION OF TIME TO PROVIDE ASSISTANCE FOR UNITED STATES CITIZENS
RETURNED FROM FOREIGN COUNTRIES

Ante, p. 94.

SEC. 503. Section 1113(d) of the Social Security Act is amended by striking out “1968” and inserting in lieu thereof “1969”.

EXCLUSION FROM DEFINITION OF WAGES OF CERTAIN RETIREMENT, ETC.,
PAYMENTS UNDER EMPLOYER-ESTABLISHED PLANS

68A Stat. 417;
79 Stat. 383.

SEC. 504. (a) Section 3121(a) of the Internal Revenue Code of 1954 (definition of wages) is amended by striking out “or” at the end of paragraph (11), by striking out the period at the end of paragraph

(12) and inserting in lieu thereof “; or”, and by adding at the end thereof the following new paragraph:

“(13) any payment or series of payments by an employer to an employee or any of his dependents which is paid—

“(A) upon or after the termination of an employee’s employment relationship because of (i) death, (ii) retirement for disability, or (iii) retirement after attaining an age specified in the plan referred to in subparagraph (B) or in a pension plan of the employer, and

“(B) under a plan established by the employer which makes provision for his employees generally or a class or classes of his employees (or for such employees or class or classes of employees and their dependents),

other than any such payment or series of payments which would have been paid if the employee’s employment relationship had not been so terminated.”

(b) Section 3306(b) of such Code (definition of wages) is amended by striking out “or” at the end of paragraph (8), by striking out the period at the end of paragraph (9) and inserting in lieu thereof “; or”, and by adding at the end thereof the following new paragraph:

“(10) any payment or series of payments by an employer to an employee or any of his dependents which is paid—

“(A) upon or after the termination of an employee’s employment relationship because of (i) death, (ii) retirement for disability, or (iii) retirement after attaining an age specified in the plan referred to in subparagraph (B) or in a pension plan of the employer, and

“(B) under a plan established by the employer which makes provision for his employees generally or a class or classes of his employees (or for such employees or class or classes of employees and their dependents),

other than any such payment or series of payments which would have been paid if the employee’s employment relationship had not been so terminated.”

(c) Section 209 of the Social Security Act (definition of wages) is amended by striking out “or” at the end of subsection (k), by striking out the period at the end of subsection (l) and inserting in lieu thereof “; or”, and by inserting after subsection (l) the following new subsection:

“(m) Any payment or series of payments by an employer to an employee or any of his dependents which is paid—

“(1) upon or after the termination of an employee’s employment relationship because of (A) death, (B) retirement for disability, or (C) retirement after attaining an age specified in the plan referred to in paragraph (2) or in a pension plan of the employer, and

“(2) under a plan established by the employer which makes provision for his employees generally or a class or classes of his employees (or for such employees or class or classes of employees and their dependents),

other than any such payment or series of payments which would have been paid if the employee’s employment relationship had not been so terminated.”

(d) The amendments made by this section shall apply with respect to remuneration paid after the date of the enactment of this Act.

Approved January 2, 1968.

68A Stat. 447;
78 Stat. 1077.

64 Stat. 492;
79 Stat. 382.
42 USC 409.