

Social Security Health Insurance

(Editor's Note: The Social Security Amendments of 1965 were so extensive that they have been compared in significance to the adoption of the original Social Security bill of 1935 in the nation's progress toward achievement of security in old-age. Because these changes will directly or indirectly affect every American family, the Oregon State Employee News will print three brief reports on these amendments to help OSEA members become familiar with them. The reports were prepared by C. I. Flaten, District Manager of Social Security Administration in Salem.)

This coming July nearly 20 million of the nation's elderly will begin participating in a comprehensive program of government health insurance, commonly referred to as "Medicare." This is a new program for government undertaking, but the concept of pre-paid health insurance is hardly new. Many Oregonians carry such a policy either individually or on a group basis.

Government Contracts

Medicare will be much like this commercial insurance. Payment to hospitals, nursing homes, home-health agencies, doctors, and others will in most cases not be made directly by the Social Security Administration, which has the over-all responsibility for carrying out this law. Instead, the government will enter into contracts, on a cost basis, with private intermediaries who will perform the day-to-day work of determining reasonable costs and reasonable charges and making payment in settling claims. In Oregon, the Aetna Life Insurance Company has been selected as the contractor to pay doctor bills under the medical insurance program.

Two Kinds

The new Health Insurance program, which is now a part of the Social Security law, establishes two separate kinds of health insurance protection for almost all people age 65 or over --- Hospital Insurance and Supplemental Medical Insurance for those who choose to take it.

Hospital Insurance

The basic hospital insurance plan provides protection against most of the costs of hospital and related care. The hospital insurance part of the program will be financed through a separate payroll tax which will go into a trust fund that will be kept entirely apart from other funds of the system, and it will be shown as a separate item on the employee's W-2 form. This special tax contribution starts this year at just over one-third of one percent each for the employee, his employer, or the self-employed. The tax gradually increases until in 1987 and afterward it is eight-tenths of one percent each for employee, employer, or the self-employed.

Medical Insurance The voluntary supplemental

medical insurance plan provides protection against much of the costs of physician's and other medical services. This plan is financed through a flat monthly premium rate of \$3.00 paid by the individual participants, age 65 or over, and matched by an equal payment from the federal government general revenues.

Going back to the basic hospital insurance plan, it provides protection against the cost of ordinary in-patient hospital services. This would include semi-private room and board, regular nursing care, drugs for the use of the patient in the hospital, and other medical supplies which are a necessary part of the patient's treatment while in the hospital.

Patient Will Pay

The patient will pay for the first \$40 of the hospital bill. The rest, for most services normally provided, is fully paid up to 60 days in one spell of illness. If the patient is in the hospital more than 60 days, the insurance pays all but \$10 a day for an additional 30 days. (A spell of illness is a period of consecutive days --- beginning with the first day on which an individual is furnished in-patient hospital services or extended care services and ends with the close of the first period of 60 consecutive days without such services.)

All Reasonable Costs

Following at least a three day hospital stay and when ordered by the doctor, the patient may be transferred to an intensive care facility, a nursing home which provides more than custodial care, for his continued recuperation or treatment. As many as 100 days will be provided in such an institution during a spell of illness with the plan paying all reasonable costs during the first 20 days and the patient paying \$5.00 a day for the additional 80 days. These services in post-hospital extended care facilities are not covered under the program until January 1, 1967.

After release from a hospital, the patient may be sent home and may have as many as 100 free home health visits by a visiting nurse, therapist, or other home health worker.

Diagnostic studies by a participating hospital are also provided by the hospital plan. During a 20 day period of such tests, the patient will pay the first \$20 of the cost and 20 percent of the remainder. The rest will be paid by Medicare.

Doctor Bills

A principal benefit to the subscriber under the medical insurance plan is the coverage of doctor bills. All of the services of a surgeon or physician (including a practitioner of osteopathy) will be covered, whether performed in the doctor's office, the patient's home, a hospital, nursing home, or whatever. The physician and surgeon fees are not covered under the hospital insurance plan.

No Ceiling To Benefits

Under the medical plan, the patient will be responsible for the first \$50 covered charges during the calendar year and for 20 percent of remaining charges. Medicare will pay the rest. There is no ceiling to the benefits an individual may receive during a year, no exclusion for "pre-existing conditions," no cancellation of "policies," except for non-payment of premiums.

Home Health Visits

In addition to coverage of doctor bills, the individual who elects supplementary benefits will be eligible for 100 home health visits, in addition to those under the basic plan, but with no requirement that he have prior hospitalization. A host of other services and supplies are also provided including x-ray and radium therapy, splints, bandages, artificial limbs and eyes, rental of durable health equipment, diagnostic studies which need not be performed in a hospital and ambulance when necessary.

Some Services Limited

Some services are not provided by either plan, or are limited. There is a limit on payment in a psychiatric or tuberculosis hospital and for out-patient treatment of mental disorders. Glasses and dentures are not paid for. Drugs administered in a hospital or extended care facility will be covered under the hospital plan, as will those drugs which cannot be self-administered under the medicare plan. Drugs or biologicals which are self-administered will be paid for by the patient. The hospital plan will not pay for a telephone or television in the room, private duty nurse, nor for a private room unless it is necessary for the safety of the patient or the safety of other patients. No services, under either plan, will be provided unless certified to be necessary by a physician.

91 Percent Enrolled

Practically everyone 65 or over may become enrolled by filing an application with the Social Security Administration. Those who have signed up for monthly social security or railroad retirement benefits are already enrolled for basic hospital benefits. These persons have also been mailed an enrollment card for the medical benefits, for which the \$3.00 premium will be deducted from the social security check. At this point more than 71 percent of these have responded, and more than 91 percent have signed up for voluntary medical insurance coverage.

Deadline March 31

Everyone, including people who have never worked under social security, who reached 65 before 1966, must enroll by March 31 if they want coverage of doctor bills in July when the program begins paying for medical services. If they miss this opportunity, they will have only one other, late in 1967. Coverage then, at an increase in premium, will not begin until July, 1968.

District Offices

Any reader who knows someone who has not yet signed up should have them get in touch with the nearest Social Security Office for information and assistance. In Oregon the Social Security Administration has district offices in Portland, Salem, Eugene, Medford, Klamath Falls, and LaGrande; branch offices are located in Astoria, The Dalles, Coos Bay and Roseburg. For the exact location or time of representatives' visits in other communities, information may be obtained from any U. S. Post Office.



THREE EMPLOYEES AT THE OREGON STATE HOSPITAL line up to sign OSEA's petition calling for a representative election under the new collective bargaining rules adopted by the Civil Service Commission. From left, Vivian Hoeye, Mae Jackson, Cora Simpson, Evergreen Chapter 28 President Myrtle Jarvis and Vice-President John Mathias.



THE THIRD MEETING OF THE OSEA - OEA SPONSORED Public Employees Retirement Conference Steering Committee took place in Salem on February 2. Public employer and employee representatives unanimously backed a proposal by OSEA Retirement Director Jerry Liebertz which would greatly improve the PERS. Seated in the background is OSEA Executive Secretary Thomas C. Enright and OEA Executive Secretary Cecil Posey (without coat).

Scholarship Contributions

(Editor's Note: The following 23 chapters have made contributions to the 1966 OSEA Scholarship and Grants-in-Aid Fund as of February 15. Jack Morton, Chairman of the OSEA Scholarship Committee, has reminded chapters that the deadline for submitting scholarship contributions to headquarters is April 15.)

CHAPTER	DISTRICT NO. 1	AMOUNT
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Viking 81		9.10
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