

# Building a better safety net

by Wilbur D. Mills

*Wilbur D. Mills became a member of the Committee on Ways and Means in October 1942, and was elected Chairman of the Committee in January 1958. At the time of his election, Mr. Mills was the youngest Chairman in the history of the Committee. He served as Chairman of the Committee from 1958*

*until December 1974, establishing the longest tenure of continuous service as Chairman of this Committee. Mr. Mills retired from Congress in 1977 and is presently counsel to the law firm of Shea and Gould in the Washington D.C. office.*

I am indeed proud of having had the opportunity to bring the Medicare and Medicaid programs into existence in 1965 as Chairman of the House Committee on Ways and Means.

As a member of the Committee, I had participated since 1949 in numerous discussions with Wilbur J. Cohen on trying to solve, through social insurance, some of the major problems arising from disability and sickness costs. Over the next 19 years, we worked together cooperatively to find acceptable ways and means to provide legislative vehicles to deal with these complex problems.

When I came to the Congress in 1939, I was already a firm believer in the need for, and the fundamental national wisdom of, the social security system. I supported the Survivors' Insurance Amendments of 1939 and the Disability Insurance Amendments of 1956. I became familiar with the actuarial assumptions of the program, working with Robert J. Myers, and the administrative structure of the program, through close association with Robert M. Ball and previous Commissioners of Social Security, such as Arthur J. Altmeyer and Charles I. Schottland. I was convinced that the objective of social security—to provide a basic floor of protection—was sound and essential if we were to prevent millions of people from having to seek welfare or to be forced to live with incomes below the poverty line.

In 1950, we began, on a modest basis, to authorize the idea of "vendor payments" for medical care to needy public assistance recipients, an idea that Wilbur J. Cohen brought to our attention as a means of getting some experience in the medical services area. We expanded and modified this idea in 1954 and 1956 at the same time we were strengthening the social security program. In 1957, 1959, and 1960, we held hearings and discussions on the Forand Medicare bill. In 1960, we also held extensive hearings on a nationwide medical assistance proposal advocated by President Dwight D. Eisenhower and Arthur S. Flemming, the Secretary of Health, Education, and Welfare. Out of these deliberations came a revised proposal for Federal grants to the States to improve medical assistance to the needy aged. In the Senate, the House version was revised with the aid of Senator Robert S. Kerr of Oklahoma and Wilbur J. Cohen, and it became the Kerr-Mills legislation of 1960, which I sponsored as a stopgap measure for the needy until we could obtain agreement on any further legislation.

The Kerr-Mills legislation became a controversial measure in the early 1960's because it only dealt with

the needy aged, and I could see that something more would have to be adopted eventually. President John F. Kennedy and Vice President Lyndon B. Johnson were pressing strongly for a Medicare-type insurance program for all the aged. But I also could see that such a legislative measure did not have the necessary votes at that time in the Committee on Ways and Means or in the House of Representatives. For 4 years (1951-1964), we struggled to find compromises, adjustments, and adaptations that might lead to agreement between the House and Senate. These discussions broke down in the conference on the 1964 social security legislation. I outlined some of the problems we had to resolve in an address I gave on September 28, 1964, which I placed in the *Congressional Record* of October 3, 1964.

With the resounding victory of President Lyndon B. Johnson in the 1964 campaign, it was inevitable that some Medicare program would be adopted in 1965. I proceeded promptly to try to develop a legislative package that could be passed.

It became increasingly clear to me, however, as I studied the programs and consulted with many interested groups, that a Medicare hospital insurance program for the aged alone was not sufficient to meet the many medical problems of the aged, blind, and disabled or the mothers and children receiving aid for dependent children. With Wilbur Cohen's help, we developed what eventually became Medicaid (Title XIX) and Medicare. Then, with the support of John W. Byrnes, the ranking minority member on the Committee, we added voluntary coverage of physicians' services in what became Part B or supplementary medical insurance (SMI). That three-part program, enacted in 1965, has been an important and essential part of our national safety net for the past 20 years, along with social security and the Supplemental Security Income program enacted in 1972.

In the same 1965 legislation, we improved the social security program (old age survivors and disability insurance) as well as the public assistance programs. In this year of the 30th anniversary of the original Social Security Act of 1935, and the 20th anniversary of Medicare and Medicaid, I am proud of the part I played in helping to initiate, preserve, and improve these safety-net provisions.

I do not believe these programs are perfect. They can and will be expanded and improved as we gain more experience in implementing them. But I believe they are here to stay. They are now part of the American way of life.