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THE PRESIDENT HAS SEEN *def*

THE WHITE HOUSE  
WASHINGTON  
December 27, 1974

INFORMATION

*MRE*

MEMORANDUM FOR THE PRESIDENT

FROM: KEN COLE *o*

SUBJECT: Premium Rate for Voluntary Medicare Enrollees

Attached is a memorandum from Secretary Weinberger informing you that, as required by law, he has determined and will promulgate an increased monthly premium rate to be paid by voluntary enrollees in the Medicare hospital insurance program during the next fiscal year. There are about 11,000 of these voluntary enrollees who are persons over 65 and who are not otherwise eligible for the program.

Based on the formula in the statute, it will be necessary for the Secretary to promulgate a monthly premium rate of \$40 for the year beginning next July.

Attachment



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

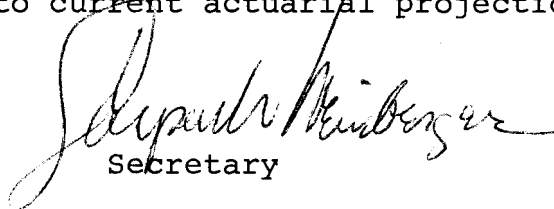
DEC 23 1974

MEMORANDUM FOR THE PRESIDENT

The law requires that the Secretary of Health, Education, and Welfare determine and promulgate during the last quarter of each calendar year the monthly premium rate to be paid by voluntary enrollees in the hospital insurance program during the next fiscal year. There are about 11,000 of these voluntary enrollees who are persons over 65 who are not otherwise eligible for Medicare hospital insurance benefits, either on the basis of their own earnings records, or on the basis of certain transitional provisions established at the outset of the Medicare program. The 23.5 million people covered by Medicare hospital insurance are not affected by this required increase.

The law is specific as to the manner in which the premium is calculated. The initial rate for fiscal year 1973 was established in the statute itself. Rates for succeeding years are determined by increasing the 1973 rates in proportion to increases in the inpatient hospital deductible.

Based on the formula in the statute, it will be necessary for me to promulgate a premium rate of \$40 for the year beginning next July. This rate is also consistent with the intention of the law in that it will be adequate to pay the costs of the voluntary enrollees during fiscal year 1976 according to current actuarial projections.

  
Secretary