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January 23, 1976

SUBJECT:

MEDICARE IMPROVEMENTS

Stuart Auerbach's piece in the Post this morning cites a Senate Finance and House Ways and Means analysis that the President's estimates for the number of Medicare recipients who would benefit from his hospital ceiling proposal would be only 25,000 (We said 1 million.), and the number of beneficiaries of the "catastrophic illness" provision would be only 1.5 million. (We said 2 million.) The report was supposedly based on Social Service Admin. figures.

How do you account for this numerical discrepancy?  
Do you claim that your figures are more correct than the Social Security Administration's?

GUIDANCE: First of all, the President firmly believes that we must protect the elderly against the devastating cost of prolonged hospitalization, and that this is the most efficient means of aiding these people. (If Senator Kennedy has a better idea, why doesn't he come right out and say it?)

*per O'Neill →*

The numbers used in the President's proposal came from the Social Security Administration, and the S.S.A. stands by those figures.

In fact, Auerbach did indicate that if the President's proposals were adopted, our numbers would be accurate, but that statement is buried in the body of the article.

ME