

RAHALL Weekly Report

ON SOCIAL SECURITY BILL:

Mr. RAHALL. Mr. Chairman, I rise in support of H.R. 1900, the Social Security Act Amendments of 1983. While each of us has his or her disagreements on particular aspects of the bill, when taken as a whole, the legislation takes important steps toward solving the short- and long-term problems facing social security.

Estimates by the Social Security Administration indicate this bill will create revenue increases and outlay decreases totaling \$165.3 billion between 1983 and 1989 for the retirement and disability trust funds. The bulk of savings will be achieved from delaying the COLA for 6 months—\$39.4 billion—accelerating the payroll tax—\$39.4 billion—taxing benefits for those retirees earning over \$25,000 as an individual or \$32,000 for a couple, and increasing the self-employment tax—\$18.5 billion.

This legislation addresses the problems created by a change in our economic climate. When trust fund reserves drop below 20 percent at the beginning of any year after 1987, COLA's would be based on the average increase in the Consumer Price Index (CPI) or wages, whichever is lower. When reserves reach 32 percent in the trust fund, a catchup payment would be provided to all who suffered a loss in benefits during slower economic times. During periods when reserves are between 20 and 32 percent, COLA's will be based on the CPI as they are presently. In anticipating a slow economic upturn between 1983-87 the bill authorizes interfund borrowing between the three funds which comprise the social security system—retirement, disability, and medicare. It should be noted that provision must be made for the repayment at the earliest possible date, no later than the end of 1989.

At long last we have addressed the problems with uncashed social security checks. If a period of 6 months has elapsed from the time a check is issued, the Treasury Department now will be authorized to credit the amount of the uncashed check to the appropriate trust fund. Also, I have shared the concern that money in the trust fund could be more wisely invested. H.R. 1900 allows the funds to be invested in short- and long-term rates in order to get a maximum return for investing money in the trust funds.

Many of my constituents have been upset over a provision under current law regarding assistance given to SSI recipients in the form of emergency and in-kind aid counted as income. Under H.R. 1900, emergency and in-kind assistance provided by private nonprofit organizations would be disregarded under the SSI and AFDC programs if the State determines the aid was based on need.

Presently my State has the unwanted distinction of leading the Nation in unemployment at 17.6 percent. Many of our unemployed have or will shortly exhaust their unemployment benefits. Title V of this bill provides a most needed extension of the Federal unemployment compensation program. In West Virginia, individuals who become eligible for Federal unemployment payments on or after April 1, 1983, can get up to 14 additional weeks of benefits. Those in my State who have exhausted their Federal unemployment benefits on or before April 1, 1983, will be eligible for up to 10 additional weeks of benefits. While the jobless in my district would much rather be working than receiving a check, this action assures the long-term jobless—through no fault of their own—that we in the Federal Government have not forgotten about their needs and those of their families. Many unemployed have approached me recently about their concern over the fact their health benefits would soon run out. I want to point out that this legislation provides States the option of deducting a health insurance premium from unemployment benefits if the individual elects to do so and if the State has a health insurance program for the jobless.

Under title VI Congress implements a program to place a control on health care costs to the Government. Health care reimbursement, ~~mainly~~ under medicare ~~reimbursement~~, will be broken down into 467 diagnostic-related groups (DSG). Separate rates will be devised for urban and rural areas in each of the nine census districts of the country. Congress is providing an incentive to control rising health care costs through this reimbursement system. For example, if a hospital bills the Federal Government more than its allowed DRG rate, it will have to find a way to make up the cost difference. On the other hand, if the same hospital submits a bill for less than the DRG rate, it can keep the difference between what the Government pays for that particular item and its lower cost. So instead of having a more or less open ended reimbursement system, Congress is now trying to induce hospitals and others to control health care costs. Hopefully a pattern of more controlled health care costs will develop for all Americans.

Many postal workers and Federal employees in West Virginia have contacted me to express their strong opposition to the inclusion of new employees under social security. I have always opposed these attempts in the past and I would have done so today had I been given the opportunity for a separate vote on this issue. I am very pleased that the distinguished chairman of the Committee on Post Office and Civil Service assured us today that there is nothing in this legislation to stop new Federal and postal workers from paying into the civil service retirement system, an issue of great interest to many Government workers.

We must not be misled by our actions today as to one of the most serious problems facing social security and the Nation—the current recession. It is incumbent upon all of us in Congress to put Americans back to work and I will do my best to work toward the goal of putting the unemployed back to work.