

The new legislation also authorizes the Secretary to arrange for the provision of health services through HMO's for domestic agricultural migratory and seasonal workers who are eligible for health services under already existing authority (except under section 310 of the Public Health Services Act) and for the families of such workers.

QUALITY CARE ASSURANCE PROGRAMS

The legislation calls for research and evaluation programs, to be conducted by the Secretary of Health, Education, and Welfare through the Assistant Secretary for Health, on the effectiveness, administration, and enforcement of quality assurance programs for health care. Annual reports are to be made to Congress and the President on the quality of health care in the United States, the operation of quality assurance programs, and advances made through research and evaluation of such programs.

The Secretary is also directed to contract with an appropriate nonprofit, private organization for an independent study of health care quality assurance programs. The study is to include the development of a set of basic principles to be followed by an effective health care quality assurance system that will relate to such matters as the scope of the system, methods for assessing care, data requirements, and specifications for developing criteria and standards concerning desired outcomes of care. The organization designated must have a national reputation for objectivity in the conduct of studies for the Federal Government, expertise, and a history of interest and activity in health policy issues related to such study.

EVALUATION OF PROGRAM

An evaluation of the operation of the HMO program is to be conducted by the Comptroller General of the United States. At least 50 of the HMO's that have been receiving Federal funding and that have been operational for 3 years are to be evaluated. The Comptroller General will report the results of the evaluation to Congress within 90 days of its completion and include findings on the ability of these HMO's to (1) operate on a sound fiscal basis without continued

Federal financial assistance, (2) continue to meet the organizational and operational requirements of the act, (3) provide the required basic and supplemental health services, (4) include indigent and high-risk individuals in their memberships, and (5) provide health services to medically underserved populations.

The Comptroller General is also required to conduct a study and to report to Congress within 36 months after enactment of the legislation, on the economic effects on employers of their compliance with the provision on employees' health benefits plans. He is also directed to evaluate the operations of the HMO's—by category in comparison with each other and as a group, in comparison with other forms of health care delivery—and to evaluate the impact that HMO's individually, by category, and as a group, have on the health of the public. The results of this evaluation are also to be reported to Congress not later than 36 months after enactment of the law.

Veterans' Pensions Increased*

On December 6, 1973, President Nixon signed Public Law 93-177 granting a 10-percent cost-of-living increase to veterans, widows, and children receiving non-service-connected disability and death pensions, and to dependent parents receiving service-connected dependency and indemnity compensation. About 2.5 million veterans and survivors are affected by the law, which went into effect on January 1, 1974.

Receipt of veterans' pensions is predicated upon financial need. For persons entering the rolls on or after July 1, 1960, the amount of pension received depends on the amount of income received from other sources, with higher payments going to veterans with low incomes and more dependents.¹ When income increases, the veterans' pension payment is reduced. The new law is designed to restore most of the reduction

* Prepared in the Interprogram Studies Branch, Division of Economic and Long-Range Studies.

¹ For pensioners on the rolls before July 1, 1960, who chose to stay under the "old" system, the benefits payable are flat-rate amounts with single income limitations. The new legislation does not increase these amounts. Presently, 10.7 percent of all pensioners continue to receive benefits under the "old" system.

in veterans' pensions that occurred as a result of the 20-percent increase in social security benefits in September 1972. Approximately 76 percent of all pensioners also receive retirement or survivor benefits under the social security program.

Under the new law, a veteran with no dependents and an annual income of \$300 or less receives a maximum monthly pension of \$143. The amount of the pension declines with rising income on a graduated basis to \$28 at the \$2,600 income level. Table 1 shows a schedule of the payments at even \$100 levels for this group and for such other categories as veterans with dependents and widows with and without dependents. The new law does not change the annual income limitations of \$2,600 per year for the single veteran or widow and of \$3,800 for the veteran or widow with dependents. Individuals exceeding these income limits are not eligible for pension payments.

The previous law initiated a formula under which each individual's monthly benefit was computed by reducing the maximum monthly pension rate by a specified number of cents for each dollar by which the minimum income limitation was exceeded. Public Law 93-177 retains the basic formula with some adjustments in the income intervals to which the reduction amounts apply. For a veteran without dependents, for example, the maximum monthly pension of \$143 will now be reduced for each dollar of annual income above \$300 on the basis of the following formula:

Income above \$300	<i>Reduction per \$1 of income (in cents)</i>
\$301-800 -----	3
801-1,300 -----	4
1,301-1,600 -----	5
1,601-2,200 -----	6
2,201-2,500 -----	7
2,501-2,600 -----	8

Thus a veteran whose countable income (other than his pension) amounts to \$2,143 will receive a monthly pension of \$60.42.²

Similar formulas, varying somewhat in income levels and rate of pensions, apply to veterans with dependents and to widows. For children without parents, flat-rate pensions of \$44 for one

TABLE 1.—Example of monthly pension rates payable to veterans and their widows at \$100 increments under previous law and new law

Annual income not more than—	Veteran alone ^{1,2}		Veteran and 1 dependent ^{1,3}		Widow alone ⁴		Widow and 1 child ^{4,7}	
	Pre-vious law ⁵	New law ⁴	Pre-vious law ⁵	New law ⁴	Pre-vious law ⁵	New law ⁴	Pre-vious law ⁵	New law ⁴
\$300-----	\$130	\$143	\$140	\$154	\$87	\$96	\$104	\$114
400-----	127	140	140	154	86	95	104	114
500-----	124	137	140	154	85	94	104	114
600-----	121	134	138	152	84	93	104	114
700-----	118	131	136	150	81	90	103	114
800-----	115	128	134	148	78	87	102	113
900-----	112	124	132	145	75	84	101	112
1,000-----	109	120	129	142	72	81	100	111
1,100-----	105	116	126	139	69	78	99	110
1,200-----	101	112	123	136	66	75	98	108
1,300-----	97	108	120	133	63	72	97	106
1,400-----	93	103	117	130	60	69	96	104
1,500-----	89	98	114	127	57	65	94	102
1,600-----	84	93	111	124	54	61	92	100
1,700-----	79	87	108	121	51	57	90	98
1,800-----	74	81	105	118	48	53	88	96
1,900-----	68	75	102	115	45	49	86	94
2,000-----	62	69	99	112	41	45	84	92
2,100-----	56	63	96	109	37	41	82	90
2,200-----	50	57	93	106	33	37	80	88
2,300-----	43	50	90	103	29	33	78	86
2,400-----	36	43	87	100	25	29	76	84
2,500-----	29	36	84	97	21	25	74	82
2,600-----	22	28	81	94	17	21	72	79
2,700-----	-----	-----	78	90	-----	-----	70	76
2,800-----	-----	-----	75	86	-----	-----	67	73
2,900-----	-----	-----	72	82	-----	-----	64	70
3,000-----	-----	-----	69	78	-----	-----	61	67
3,100-----	-----	-----	66	74	-----	-----	58	64
3,200-----	-----	-----	63	70	-----	-----	55	61
3,300-----	-----	-----	58	65	-----	-----	52	58
3,400-----	-----	-----	53	60	-----	-----	49	55
3,500-----	-----	-----	48	55	-----	-----	46	51
3,600-----	-----	-----	43	50	-----	-----	43	47
3,700-----	-----	-----	38	45	-----	-----	42	44
3,800-----	-----	-----	33	39	-----	-----	42	44

¹ Pension reduced to \$50 (previous law, \$30) after second full month of hospitalization or domiciliary care by the Veterans Administration.

² Applicable rate supplemented by \$110 per month for a veteran who is a patient in a nursing home or so helpless or blind as to require the regular aid and attendance of another person, or by \$44 when veteran is permanently housebound because of severe disability.

³ Public Law 92-198, effective Jan 1, 1972

⁴ Public Law 93-177, effective Jan 1, 1974

⁵ Payment increased by \$5 a month if the veteran has 2 dependents, by \$10 per month if he has 3 or more

⁶ Payment increased by \$55 per month when widow is a patient in a nursing home or so disabled as to require the regular aid and attendance of another person

⁷ Plus \$18 (previous law, \$17) per month for each additional child.

child plus \$18 for each additional child are provided; previous rates were \$42 and \$17, respectively. No pension is payable to a child whose annual income, exclusive of earned income, exceeds \$2,000.

Payments to dependent parents of veterans who died as a result of service-incurred disabilities are also based on need. Such dependency and indemnity compensation benefits are computed according to the same kind of formula used for payment of veterans' pensions (table 2).

Public Law 93-177 contains a few other changes in the pension law. One involves the allowance paid to a single veteran hospitalized for an extended period of time. Formerly, he would

² The steps in arriving at this amount are as follows: \$143 - (\$500 × .03; \$500 × .04; \$300 × .05; \$543 × .06).

TABLE 2.—Example of monthly dependency and indemnity compensation payable to parents of deceased veterans or servicemen at \$100 increments under previous law and new law

Annual income not more than—	One parent ¹		Two parents not together ¹		Two parents together (each) ¹	
	Previous law ²	New law ³	Previous law ²	New law ³	Previous law ²	New law ³
\$800.....	\$100	\$110	\$70	\$77	\$67	\$74
900.....	97	107	68	75	67	74
1,000.....	94	104	66	73	67	74
1,100.....	91	101	64	71	66	73
1,200.....	88	97	61	68	65	72
1,300.....	84	93	58	65	64	70
1,400.....	80	89	55	62	62	68
1,500.....	76	85	52	58	60	66
1,600.....	72	80	49	54	58	64
1,700.....	67	75	46	50	56	62
1,800.....	62	69	42	46	54	60
1,900.....	57	63	38	42	52	58
2,000.....	51	57	34	38	50	56
2,100.....	45	60	30	34	48	54
2,200.....	38	43	26	30	47	52
2,300.....	31	36	22	26	44	50
2,400.....	24	28	18	21	42	48
2,500.....	17	20	14	16	40	46
2,600.....	10	12	10	11	38	44
2,700.....					36	42
2,800.....					34	40
2,900.....					32	38
3,000.....					30	36
3,100.....					28	32
3,200.....					26	29
3,300.....					24	26
3,400.....					22	23
3,500.....					19	20
3,600.....					16	17
3,700.....					13	14
3,800.....					10	11

¹ Payment increased by \$55 per month when parent is a patient in a nursing home or so disabled as to require the regular aid and attendance of another person.

² Public Law 92-197, effective Jan 1, 1972

³ Public Law 93-177, effective Jan 1, 1974.

suffer a reduction in his pension to \$30 a month after a hospital stay of 2 full months. This law raises that amount to \$50. Another change permits a disability claim to be retroactive for a period of up to a year. Previously, the date of application was the effective date.

Social Security Abroad

Swedish Unemployment Program*

Two important developments in the Swedish unemployment program, legislated in 1973, became effective January 1, 1974. One affects unemployment insurance (covering 6 of every 10 per-

* Prepared by Leif Haanes-Olsen, Office of Research and Statistics, International Staff.

sons in the labor force, with compulsory membership for union members, voluntary membership for nonunion employees) and calls for a substantial increase in benefits as well as a doubling in the number of days of protection extended to the average worker.

The other introduces a new type of unemployment program—the “labor-market support program”—for those for whom membership in the unemployment funds is not available. The most interesting aspect of this program is that it covers all workers aged 16 and over who enter the labor market for the first time, regardless of lack of earlier experience, as well as persons unsuccessful in reentering the labor market after a lengthy layoff—some housewives, for example. Also covered are those for whom benefit rights with the funds have expired.

For the first time employers have been brought into the picture as participants in the financing of the unemployment program. Benefits, while considerably higher, are now taxable as income and consequently will be included in the computation of the earnings-related supplementary pension.

Sickness benefits and work injury benefits became taxable as income in 1974, along with unemployment benefits. Concurrently, benefit levels in these programs were increased to 90 percent of regular earnings for the average earner. Unemployment benefits thereby approximately doubled. It was neither practical nor equitable any longer for each program to have different support levels: the basic need for benefits remained the same, regardless of the nature of an individual's incapacity.

Unemployment Program in Perspective

The association of unemployment funds with trade unions predates Sweden's initial unemployment legislation, which became effective at the beginning of 1935.¹ Voluntarily established unemployment funds already existed within trade un-

¹ Thirty of the 50 funds reported as operating in 1970 belonged to unions within the Swedish Confederation of Trade Unions, 11 to unions within the Central Organization of Salaried Employees, and 4 to associations of self-employed persons. Four funds were operating within other employee organizations, and one was operated by a union within the Swedish Confederation of Professional Associations.