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March 15, 1965

Mr. [REDACTED]

Farmington, Michigan

Dear Mr. [REDACTED] :

Thank you for your recent letter endorsing Eldercare. I wonder if you are aware of the fact that of all the legislation proposed to effectuate medical care for the aged, Eldercare was the most costly! Eldercare would cost the General Fund of the Treasury of the United States approximately 4 Billion dollars a year. This must be considered in light of at least an equal amount which would have to be provided by the States.

Presently, Kerr-Mills in fiscal 1964 cost the Federal Treasury 1 Billion 42 Million Dollars. The estimated cost for fiscal 1965 is approaching the 1 Billion 580 Million mark.

Although I have not seen it, it is my understanding that a Consensus Bill will emerge from Ways and Means Committee, to be presented to the Congress. This Bill would embody the best of all plans, both laws in effect now (Kerr-Mills) and proposed legislation (King-Anderson, Eldercare and Byrnes Bill). The cost to properly implement this Consensus Bill has been estimated as between 400-500 Million Dollars of Federal Funds from the Federal Treasury. There would be proportionate amounts spent by State Treasuries.

Since I have not seen this legislation in its final form, the information I supply to you was given informally to me by a Member of the Ways and Means Committee. When the Bill is presented to the Congress, I shall study it carefully; both as to its provisions for medical care as well as its financial impact upon the citizens of our nation.

Thank you again for writing to me. I hope you will continue to give me the benefit of your thinking on matters before the Congress.

Sincerely,

Billie S. Farnum

BSF/bcy