



## “It’s a Great Bill, Mr. President”

**Date:** 1965-03-23

**Conversation:** WH6503-11-7141

**Participant:** Lyndon B. Johnson

**Participant:** Wilbur J. Cohen

**Start Time:** 16:54

**Duration:** 02:43

**Place:** Unspecified

SCENE SETTER: Shortly after the Ways and Means Committee reported the Medicare bill to the House, Under Secretary of Health, Education, and Welfare (HEW) Wilbur J. Cohen explained to President Johnson the changes in the bill. In this excerpt, Cohen focused on the section covering physician costs, which had been adapted at the last minute from a Republican alternative bill.

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**Wilbur J. Cohen:** I think it’s a great bill, Mr. President.

**President Johnson:** Is that right?

**Cohen:** Yes, sir. I think you got not only everything that you wanted, but we got a lot more than—on this thing. It’s a real comprehensive bill.

**President Johnson:** What—how much does it cost my budget over what we estimated?

**Cohen:** Well, I think it—it would be around, I’d say, 450 million [dollars] more [*President Johnson acknowledges*] than what you estimated for the net cost of this supplementary program.

**President Johnson:** Now, what do they do under that? How is that handled? Explain that to me again, over and above the King-Anderson [bill], this supplementary you stole from [John W.] Byrnes [R-Wisconsin].

**Cohen:** Yes. Well, generally speaking, it’s physician services.

**President Johnson:** Physicians?

**Cohen:** Yes. In the [unclear]—

**President Johnson:** All right, now, my doctor that I go out, and he pumps my stomach out to see if I got any ulcers—that physician?

**Cohen:** That’s right. [Unclear]—

**President Johnson:** Any medical services that are MD services?

**Cohen:** Any MD services. Now—

**President Johnson:** All right, now, how do we know—what, does he charge what he wants to?

**Cohen:** No, he can't quite charge what he [*slight chuckle*] wants to, because this has been put in a separate fund.

**President Johnson:** Yeah.

**Cohen:** And what the Secretary of HEW would have to do is make some kind of agreement with somebody like Blue Shield—

**President Johnson:** Yeah.

**Cohen:** —let's say. And it would be their responsibility under the way the chairman has provided the bill that they would regulate the fees of, in effect, for the doctor.

**President Johnson:** Yeah.

**Cohen:** Because what he tried to do is to be sure that the government wasn't regulating [*President Johnson acknowledges throughout*] the fees directly. It shouldn't deal with the individual doctor. And the bill provides that the doctor could only charge the *reasonable* charges, but this intermediary—the Blue Shield—would have to do all the policing so that the government wouldn't have its long hand in—

**President Johnson:** All right, that's good. Now, what does it do for you, the patient, on doctors? It says that you can have doctors' bills paid up to what extent, or how much, or any limit?

**Cohen:** Yes. The individual patient has to pay the first 50 dollars—

**President Johnson:** All right.

**Cohen:** —deductible.

**President Johnson:** All right.

**Cohen:** And then he's got to pay 20 percent.

**President Johnson:** Of everything after that.

**Cohen:** Everything after that. So that [*President Johnson acknowledges throughout*] if you went in to the doctor and you had a 1,000-dollar bill, you'd pay the first 50 dollars, and then for the other 950 [dollars] you'd have to pay 20 percent of that.

**President Johnson:** All right. Bet that keeps your hypochondriacs out.

**Cohen:** That keeps the hypochondriacs out. And the same time, for most of the people, it would provide a[n] overwhelming proportion of their physicians' costs.

**President Johnson:** Yes, sir. And it's—want something that nearly everybody could endure. They could borrow that much, or their folks could get them that much to pay their part, even if they didn't have any money.

*End of excerpt.*

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Full information about this conversation: ["It's a Great Bill, Mr. President"](#)