Essential Questions:

- How did Medicare become part of President Lyndon Johnson's “Great Society” initiative? Why was it so controversial in 1965?

Introduction:

The goal of this lesson is to engage students in an inquiry-oriented, primary source-based historical analysis related to the passage of Medicare in 1965. The lesson will focus students' attention on understanding the conditions of, reasons for, and circumstances surrounding the passage of Medicare. The lesson begins with an activity that puts students in the role of historian, generating questions and filling in missing pieces, followed by primary source document analysis and class discussion. If time permits, the lesson is followed by an extension activity that asks students to consider the current role of Medicare in light of their historical understanding.

Key Information

- Medicare was the name for legislation passed in 1965 establishing a medical care program for the aged.
- President Lyndon Johnson proposed Medicare as part of his “Great Society” Program.
- Medicare was a controversial program when it was passed.
- Today, Medicare is a popular program among senior citizens.

Background

Lyndon Baines Johnson, 36th President of the United States, took office after the assassination of John F. Kennedy on November 22, 1963, for whom he had served since 1960 as Vice-President. In a speech given on May 22, 1964 at the University of Michigan, when he was running for the presidency against Barry Goldwater, Johnson spoke of a “Great Society.” He said, “The Great Society rests on abundance and liberty for all. It demands an end to poverty and racial injustice, to which we are totally committed in our time. But that is just the beginning.”

To accomplish his vision, President Johnson proposed a new legislative program called the “Great Society.” For this program, he proposed new initiatives in education, housing, national parks, highway beautification, automobile safety, consumer protection, children and youth, Medicare, the National Endowment for the Arts, the National Endowment for the Humanities, and public television.
When he was inaugurated in January 1965, he indicated that he would make his “Great Society” program the legislative agenda for his presidency.

Presidential historian Robert Dallek writes about Johnson’s effort to pass Medicare, a cornerstone of Johnson’s “Great Society” program:

In 1965, after winning in a landslide against Barry Goldwater and helping to carry Democratic supermajorities into both houses of Congress, President Lyndon Johnson set out to enact a battery of Great Society reforms, including Medicare, government insurance for seniors. Despite his political mandate, 60 years of conservative opposition to such a measure meant proceeding with caution. Later, California Governor Ronald Reagan, for example, would characterize the Medicare bill as the advance wave of a socialism that would ‘invade every area of freedom in this country.’ Reagan predicted that this reform would compel Americans to spend their ‘sunset years telling our children and our grandchildren what it was like in America when men were free.’

Dallek goes on to say that at the time that the Medicare law was being considered in Congress, 63% of all Americans supported the idea. (For more on public opinion, see: Gallup, G., Gallup poll: 63% favor compulsory Medicare. *The Los Angeles Times*, January 3, 1965, p. F20.)

However, many politicians and others opposed it. Besides Governor Reagan of California, many conservative Democrats also opposed Medicare, as did the American Medical Association.

How did Medicare become part of President Lyndon Johnson’s “Great Society” initiative? Why was it so controversial in 1965?

**Students Will Understand:**

- Solutions to the problem of the deficit and national debt involve trade-offs and may affect groups differently.

- Multiple perspectives on how to deal with the budget, deficit, and national debt have many sources.

- The government has a legitimate role to play in addressing our nation’s fiscal challenges.

**Students Will Be Able To:**

- Ask good questions, make inferences.

- Develop and test hypotheses.

- Recognize the distinctions between different kinds of evidence and data.

- Support positions with evidence.

- Formulate a position or course of action on an issue.

- Evaluate the implementation of a decision.

- Recognize, explain, and analyze causes and consequences.

- Recognize, explain, and analyze continuity, change, and development over time.

**Related Curriculum Standards:**

- National Center for History in the Schools – Historical Thinking Standards:
  
  1.F. Reconstruct patterns of historical succession and duration in which historical developments have unfolded, and apply them to explain historical continuity and change.

  5.B. Marshall evidence of antecedent circumstances and current factors contributing to contemporary problems and alternative courses of action.

- National Council for the Social Studies Standards:
  
  II: Time Continuity and Change

  VI: Power Authority and Governance
List of Lesson Resources:

1. Excerpts from President Lyndon B. Johnson’s Remarks with President Truman at the Signing in Independence of the Medicare Bill, July 30, 1965
2. Excerpts in Favor of Medicare
3. Excerpts Opposed to Medicare
4. Graphic on Projected Federal Spending in 2020 (Further Engagement)
5. Excerpt from “The Budget and Economic Outlook…” (Further Engagement)
6. Excerpts from Congressional Budget Office Director’s Blog (Further Engagement)

Time Required:

2-3 class periods

Entry:

Ask students if they have ever heard of Medicare or Social Security and what they know about these programs. After eliciting information from the students, write the definition below on the board. If appropriate, use the background to this lesson as the basis of a short lecture.

Definition: Medicare is a program established in 1965 to provide health care benefits to senior citizens and the poor. Although it is known as Medicare, it was part of the Social Security program. The bill was signed at the Harry Truman Presidential Library because President Truman had begun the fight for a Medicare program in 1945.

Lesson Strategies and Activities:

Multiple Perspectives on Medicare

Today, most seniors feel positively about Medicare. Why was Medicare such a controversial idea at the time it was proposed? What were the different viewpoints on Medicare when it was passed as law in 1965?

Students will begin by reading the excerpt of Johnson’s remarks on the Medicare bill (Resource 1). As students read, they should underline phrases or terms with which they are unfamiliar.

After the reading, revisit these terms, clarifying any areas of confusion. Begin the class discussion by asking students to define Medicare in their own words. When comfortable that students have a basic understanding of the system, use the following questions to guide the rest of the discussion:

- Why might the older population have less money than the younger population?
- How is the Medicare program going to be funded?
- According to President Johnson, what will the benefits of the program be?
Once it is clear that students have grasped the basic information related to passage of the Medicare bill in 1965, organize the class so that they can move to consider the various positions, for and against, this bill. Do this by means of small groups or as a whole class. (Resources 2 and 3)

**Closure:**

Lead a discussion with the entire class about the positions for and against the Medicare legislation. Put a T-chart on the board to record the various opinions for and against and who held them.

**Assessment:**

Students will work individually or in small groups (2-3 students per group) to develop a 4-5 minute news report about the signing of the Medicare bill in 1965. The news report should include the following information: brief introduction that outlines the history of the bill, its purpose, and details about who is covered, how it will be paid for, etc.; opinion from a “man on the street” who gives his reaction to the bill; when and where the bill was signed into law; and a quotation from President Johnson on this occasion.

Students will present their news reports. As their classmates present, students who are observing should take notes, writing down facts, ideas, and arguments they learn from each presentation.

**Further Engagement (Optional):**

**Class Discussion (20 minutes)**

Begin the lesson by asking students to respond to the following quote:

> At a recent town-hall meeting in suburban Simpsonville, a man stood up and told Rep. Robert Inglis (R-S.C.) to “keep your government hands off my Medicare.”


Lead a class discussion guided by the following questions:

- Is it possible to keep the government out of Medicare? Why or why not?
- What might have led this man to want to keep the government’s hands off Medicare?
- What recent legislation might this town-hall meeting been called to discuss?
Informe students that some of the debate surrounding the health care legislation passed in 2010 involves discussion about the future of Medicare and the amount of money it will cost to continue providing health care for the elderly. Project or distribute the Projected Federal Spending in 2020 graphic (Resource 4).

Ask students to discuss their opinions about the future importance to them of continuing the Medicare program, based on their historical investigation of the bill.

**Paying for Medicare in the Present**

Distribute the excerpt from the Congressional Budget Office Report, “The Budget and Economic Outlook: Fiscal Years 2008 to 2018” from January 2008 (Resource 5). Ask students to read this report individually or as a class.

When the students have read the report, have them work in small groups to brainstorm ways of paying for these increases. They should work to form a consensus within each group about whether to cut funding for Medicare, pay additional taxes to fund Medicare at current levels, or keep taxes the same while identifying other areas in which the budget could be cut. *(Note: If students have not yet studied other areas of the budget, provide statistics about what percentage of the budget is allocated to various categories.)* When the groups have developed their ideas, students should write a one-paragraph policy brief in which they propose their ideas about the future of Medicare funding.

Students will then read an excerpt from the Congressional Budget Office Director’s Blog from December 18, 2008 either individually or as a class (Resource 6). When they have completed the reading, they will make a T-chart comparing and contrasting the major concerns and issues facing health care for those under 65 today with those over 65 prior to the implementation of Medicare.

When the T-chart is completed, students will write a persuasive essay, arguing whether or not the historical study of Medicare can be used to inform one’s opinion on the future of health care in the United States.

**References Cited:**


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U.S. History and Geography

Medicare and LBJ’s “Great Society”

Resources

The following section is formatted for the easy reproduction of resources intended for use by students. They appear in the order in which they are listed in the Introduction and are essential to the lesson. These resources may also be downloaded from the Understanding Fiscal Responsibility website: http://understandingfiscalresponsibility.org/
Resource 1. Excerpts from President Lyndon B. Johnson’s Remarks

Excerpts from President Lyndon B. Johnson’s Remarks with President Truman at the Signing in Independence of the Medicare Bill, July 30, 1965

It was a generation ago that Harry Truman said, and I quote him: “Millions of our citizens do not now have a full measure of opportunity to achieve and to enjoy good health. Millions do not now have protection or security against the economic effects of sickness. And the time has now arrived for action to help them attain that opportunity and to help them get that protection.”

Well, today, Mr. President, and my fellow Americans, we are taking such action—20 years later… Because the need for this action is plain; and it is so clear indeed that we marvel not simply at the passage of this bill, but what we marvel at is that it took so many years to pass it. …

There are more than 18 million Americans over the age of 65. Most of them have low incomes. Most of them are threatened by illness and medical expenses that they cannot afford….

This insurance will help pay for care in hospitals, in skilled nursing homes, or in the home. And under a separate plan it will help meet the fees of the doctors.

Now here is how the plan will affect you.

During your working years, the people of America—you—will contribute through the social security program a small amount each payday for hospital insurance protection. For example, the average worker in 1966 will contribute about $1.50 per month. The employer will contribute a similar amount. And this will provide the funds to pay up to 90 days of hospital care for each illness, plus diagnostic care, and up to 100 home health visits after you are 65. And beginning in 1967, you will also be covered for up to 100 days of care in a skilled nursing home after a period of hospital care.

And under a separate plan, when you are 65—that the Congress originated itself, in its own good judgment—you may be covered for medical and surgical fees whether you are in or out of the hospital. You will pay $3 per month after you are 65 and your Government will contribute an equal amount….

No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years. No longer will young families see their own incomes, and their own hopes, eaten away simply because they are carrying out their deep moral obligations to their parents, and to their uncles, and their aunts.

And no longer will this Nation refuse the hand of justice to those who have given a lifetime of service and wisdom and labor to the progress of this progressive country…

NOTE: As enacted, the Medicare bill (H.R. 6675) is Public Law 89-97 (79 Stat. 286).

Source: http://www.lbjlib.utexas.edu/johnson/archives.hom/speeches.hom/650730.asp
How did Medicare become part of President Lyndon Johnson’s “Great Society” initiative? Why was it so controversial in 1965?

Resource 2. Excerpts in Favor of Medicare

In Favor of Medicare


‘Health costs represent the greatest remaining threat to the economic security of our aged and severely disabled citizens.’ That is the conclusion reached by the Advisory Council on Social Security after an eighteen-month evaluation of all aspects of the nation’s program of social insurance.

The council puts itself firmly behind the proposition that medicare belongs inside the framework of the Social Security system.


The AMA’s blunt stand against Medicare has given all doctors a bad name. (Miami physician)


We believe that it [Medicare] will make retirement happier—and, indeed, prolong and comfort life—for millions of Americans in years to come. And we believe that it will do this without socializing, or in any way undermining, the medical profession in America.


Under the Federal Medicare program, wedded as it is to the Social Security system, the individual is in a position to claim services as a right, knowing that he or she has made a contribution toward the cost during his younger, more productive years.


The last battle over the “Medicare” bill ended yesterday, leaving only some parliamentary formalities to be concluded before the seeping legislation becomes law….Everyone who’s getting a Social Security old-age pension check, or who’s entitled to one in the future, will automatically be eligible at age 65 for Medicare’s hospital benefits. The Government estimates that 17 million Social Security pensioners aged 65 or older thus will qualify when hospitalization benefits begin July 1, 1966.


The American Medical Association, meeting in its annual convention, was picketed today by about 500 old people, who marched and chanted in behalf of Medicare. The marchers chanted “Two-four-six-eight; AMA cooperate.” Medicare…has been opposed by the AMA.
Resource 3. Excerpts Opposed to Medicare

Opposed to Medicare


It [Medicare proposal] would set up a vast engine for turning money over without reference to actual individual need, and it would ignore the tradition of the country, which is to use state aid as a supplement to self-help.


Presently, unless there is strong and intelligent resistance to this policy of “gimme,” the United States will have, in effect, comprehensive socialized medicine....Almost everywhere, socialized medicine has been bad medicine....European countries with state medicine are now bitterly critical of their grandiose programs.


The strongest opposition to the scheme was found among younger people who said, “I’m completely against any new taxes” or, “If I have to pay 30 years to get something when I’m old, I’ll do my own saving.”


Some of your readers seem to think of Medicare as a cure-all, designed to help the patient gratis, while disciplining the doctors. Let me urge them to review the history of Britain’s nationalized medicine where patients are obliged to wait months, even years, for an elective hospital admission....


...once Medicare is under way the Government will assume increasing control of more and more aspects of health services, including medical and nursing schools, just as it has already assumed the lion’s share of the nation’s scientific research and development effort.
How did Medicare become part of President Lyndon Johnson’s “Great Society” initiative? Why was it so controversial in 1965?

Resource 4. Graphic on Projected Federal Spending in 2020 (Further Engagement)

Source: Congressional Budget Office
http://www.cbo.gov/budget/budget.cfm
Retrieved May 17, 2010
Resource 5. Excerpt from “The Budget and Economic Outlook…” (Further Engagement)

“The Budget and Economic Outlook: Fiscal Years 2008 to 2018”
Congressional Budget Office, January 2008

The Long-Term Budget Outlook

Although the baseline projections show budget surpluses in the later years of the 10-year projection period, the nation faces substantial fiscal challenges over the long term. Growth in spending—particularly for Medicare and Medicaid—is likely to exceed growth in federal revenues as well as in the economy. Attaining fiscal stability in the coming decades almost certainly will require some combination of reductions in the growth of spending and increases in taxes as a share of the economy.

The future rates of growth for the government’s major health care programs—Medicare and Medicaid—will be the primary determinant of the nation’s long-term fiscal balance. Over the past four decades, per-beneficiary costs in the programs have increased about 2.5 percentage points faster per year than has per capita GDP. If current laws and policies remained in place, federal spending on those two programs alone would rise from 4.6 percent of GDP in 2007 to about 12 percent by 2050 and 19 percent by 2082. That percentage represents about the same share of the economy that the entire federal budget does today (see Figure 1-4).

The aging of the nation’s population also will affect the federal budget over time. CBO projects that under current law, Social Security spending will rise from its current level of 4.3 percent of GDP in 2007 to around 6 percent in 25 years (and roughly stabilize at that rate), in part because of that demographic shift.

If tax revenues as a share of GDP remain at current levels (roughly 19 percent of GDP), additional spending for Medicare, Medicaid, and Social Security will eventually cause future budget deficits to become unsustainable. Even if revenues follow the path projected under current law and rise to about 24 percent of GDP by 2050, budgetary pressures will increase significantly. As a result, substantial reductions in the projected growth of spending, a sizable increase in taxes as a percentage of the economy, or some combination of changes in policies for spending and revenues is likely to be necessary to achieve fiscal stability. Such policy changes would certainly have some effect on the economy, but those effects would probably be less than the costs of allowing deficits to grow to unsustainable levels.

Resource 6. Excerpts from Congressional Budget Office Director’s Blog (Further Engagement)

Excerpts from the Congressional Budget Office Director’s Blog, December 18, 2008

...Key Issues in Analyzing Major Health Insurance Proposals, focuses on large-scale proposals, provides extensive background information, and explains CBO's analysis of numerous issues that could arise should the Congress seek to enact major changes in the health insurance system. Key Issues does not provide analyses of specific proposals; rather, it provides an overview of CBO's approach to major questions and issues that would likely arise in the context of such legislation. Its main conclusions are as follows:

- The rising costs of health care and health insurance pose a serious threat to the future fiscal condition of the United States. Under current policies, CBO projects that federal spending on Medicare and Medicaid will rise from about 4 percent of gross domestic product (GDP) in 2009 to nearly 6 percent in 2019 and 12 percent by 2050. Most of that increase will result from rising per capita costs, rather than from the aging of the population.

- Without changes in policy, a substantial number of nonelderly people (those younger than 65) are likely to be without health insurance. CBO estimates that the average number of nonelderly people who are uninsured will rise from at least 45 million in 2009 to about 54 million in 2019.

- Those problems cannot be solved without making major changes in the financing or provision of health insurance and health care. In considering such changes, policymakers face difficult trade-offs between the objectives of expanding insurance coverage and controlling both federal spending and total costs for health care.

- By themselves, premium subsidies or mandates to obtain health insurance would not achieve universal coverage. Proposals could, however, achieve near-universal coverage using a combination of approaches. One option, for example, would be to establish an enforceable mandate for individuals to obtain insurance and provide subsidies for lower-income households to help them pay their required premiums. Another option, under a voluntary system, would be to provide subsidies that cover a very large share of the expected costs of insurance for every enrollee and establish a process to facilitate enrollment (as is done in Medicare). Other policies could achieve substantial reductions in the number of people who are uninsured at a lower budgetary cost.

- Serious concerns exist about the efficiency of the health care system, but no simple solutions are available to reduce the level or control the growth of health care costs. Steps to restructure the insurance market and to encourage people to purchase less extensive coverage could reduce the use of treatments that provide minimal benefits, but enrollees would face higher cost sharing or tighter management of their care.

- Other approaches—such as the wider adoption of health information technology or greater use of preventive medical care—could improve people’s health but would probably generate either modest reductions in the overall costs of health care or increases in such spending within a 10-year budgetary window.

- In many cases, the current health care system does not give doctors, hospitals, and other providers of health care incentives to control costs. Significantly reducing the level or slowing the growth of health care spending would require substantial changes in those incentives.