

POTUS & FLOTUS REMAINS ON  
WALDEN & Medicare  
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REMARKS BY THE PRESIDENT  
AND THE FIRST LADY  
ON WOMEN AND MEDICARE

Presidential Hall

10:24 A.M. EDT

MRS. CLINTON: Thank you very much. And I want to thank Secretary Shalala, who has been a strong voice and strong force on behalf of issues that affect how we live and what kind of country we are.

I want to thank all of you for being here, as we come together to talk about one of most important challenges our nation faces today -- saving and preserving Medicare. I want to acknowledge the many people here who have done so much over the years to help us meet our obligations to each other and to the next generation -- members of the Older Women's League, the American Association of University Women, and those of you who represent women's and seniors' groups and Medicare advocates from one end of our country to the other.

We've come here today because our nation is engaged in a critical debate about America's future. We're living in a time of great prosperity and blessings, and of almost unparalleled opportunities for progress for all of our citizens. And we should all take pride in what we have been able to accomplish together over the last six and a half years. But the question before us now is how do we take advantage of this historic opportunity to take on some of the tough challenges our nation faces? How do we strengthen, rather than weaken, our fundamental commitments not only to our parents and our grandparents, but to future generations as well?

And that brings me to an issue that touches all of us, the urgent need to protect and preserve Medicare. Unless we act now, current projections say the Medicare trust fund will be insolvent in the year 2015, which is not very long at all. While this is a major concern for all of us, we're here today to spotlight those who have the greatest stake in a strong and healthy Medicare program, and that is America's women.

As the Henry Kaiser Family Foundation and OWL have reminded us again and again, women simply live longer than men. Now, we hope that is one gender gap that will eventually be closed, but it is the fact. And it is the fact as we project out into the 21st century. Now, that means we have more years to cherish our mothers and our grandmothers, but it also means that they and we are more likely to suffer from multiple and chronic illnesses and have greater long-term care needs. Four out of five of America's elderly women are widowed and almost half live out their days alone. And, not surprisingly, elderly women are much more likely to be poor. Nearly 7 in 10 Medicare beneficiaries living in poverty are women.

For all these reasons, supported by new data that the President will talk about in a few minutes, women rely more on Medicare than men and are, therefore, more vulnerable to changes in Medicare policies.

Over the past six and a half years, and as recently as a few weeks ago, I've spoken with women around the country about their concerns about the future: Women living alone who worry about who's going to care for them when they can no longer live independently; women with limited incomes who are struggling to pay for their prescription drugs, who don't think they can afford to get regular check-ups or get screening tests for osteoporosis, or breast cancer; women who, in their 60s and their 70s, are taking care of their aging or disabled parents, and who rely on Medicare to help them meet their family responsibilities.

I'm sure each of us here today has a story to tell. And we have with us just one example of a devoted daughter: Mary Lee DiSpirito, whose mother came to live with her in Virginia after her father died. As her mother became increasingly frail, Mary Lee had to stop working to care for her mother full-time. Like so many elderly women today, Mary Lee's mother suffered from multiple health problems. And while she had Medicare, and even a Medigap policy, it did not cover prescription drugs.

Because her mother's sole source of income was a monthly \$800 Social Security check, Mary Lee and her family paid \$4,500 a year in out-of-pocket expenses for prescription drugs -- an amount that would have -- if her mother had been alone, without a devoted daughter and family -- would have depleted half of her mother's yearly income. Mary Lee's mother passed away last November. But her valiant efforts to care for her mother, often under very difficult circumstances, are a vivid reminder of why we must act now to protect and preserve Medicare. I'd like to ask Mary Lee to stand up, because she is emblematic, and symbolic, of women throughout our country. (Applause.)

We owe Mary Lee and all of us the commitment that goes not only to our parents and our grandparents, but to those of us in this generation who are the caretakers who will soon begin to age, may become disabled or chronically ill ourselves. And we owe it to our children and eventually our children's children -- because if we don't invest in our nation's priorities and dedicate the necessary funds to save and modernize Medicare, countless women, like Mary Lee and all of us, and her mother and ours, will be at even greater risk than they are today.

If we don't save and modernize Medicare, then women will continue to struggle to pay for out-patient prescription drugs, and the problem will only get worse as medical advances increasingly rely on drug treatments that even today are beyond the means of most ordinary citizens. If we don't save and modernize Medicare, then women will continue to skip regular screenings and check-ups that would enhance the quality of their lives and reduce Medicare's long-term costs.

And perhaps most importantly, if we don't take advantage of this time of prosperity that we have worked so hard to achieve, then we will look back at our generation as having missed a unique opportunity to make responsible decisions and we will instead have run the risk of becoming a great burden to our own children that none of us ever wanted to be.

That's why I believe that to meet these critical challenges we must take a responsible and balanced approach to tax cuts. Only then will we be able to meet our obligations to America's elderly and disabled, and extend the life of the trust fund for the next quarter century. Only then will we be able to modernize the benefit package to include prescription drugs and preventive care, and support the teaching hospitals that are so critical to serving America's poor and elderly. And only then will we be able to sustain and expand the investments we are making now in our schools, in our environment, in our cities and our country that are so critical to our future prosperity.

So, as we continue to debate these critical issues, not only in the halls of Congress, but around our kitchen tables -- let's not forget the human dimension of what we stand for and we fight for, and what we are seeking to protect and support. Sometimes these debates have a way of making our eyes glaze over as hundreds of billions of dollars are talked about. So let's remember to keep a human face on this debate. (Applause.)

And I want to introduce someone who will add to our understanding and make sure we keep that human dimension, just as Mary Lee has, someone who knows firsthand the challenges of caring for an aging mother at a time when her own daughter had not even yet left home. She knows what's at stake for women in this debate over the future of Medicare. She also represents millions of women who would benefit if we act now to strengthen and modernize Medicare. So it is my great pleasure to introduce Judith Cato. (Applause.)

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THE PRESIDENT: Well, I must say that Judith did such a good job, there's hardly anything left to say. (Laughter.) Thank you very much for being here, and we welcome your daughter here.

I want to thank Secretary Shalala, and acknowledge the presence in the audience of Deborah Briceland Betts, the Executive Director of the Older Women's League; the people here from the Henry Kaiser Family Foundation, and the other representatives of women's groups, senior women's groups, and Medicare advocates. Hillary and Secretary Shalala and I are

delighted to welcome you to the White House today, and we thank you for your interest in this critical issue.

We are here to discuss what I have repeatedly called a high-class problem: the American people are living longer, especially women. And it is a high-class problem because we have this surplus today, and a projected surplus for several years into the future, which will enable us to deal with the challenge of people living longer and spending more money on Medicare, and then the retirement of the baby boomers, which will put additional pressure on Medicare and on Social Security.

It is a high-class problem, but we don't want it to turn into a nightmare because we walked away from it when we could have dealt with it and we had the money to deal with it - when we had the time to deal with it, and we knew good and well we ought to deal with it. So, again I say I thank you for being here, and I hope today we can get out some information which will persuade the American people and members of the Congress that the approach I have recommended for the future is the right one.

For 34 years now, Medicare has protected the health of our seniors -- it has enriched the lives of the disabled, it has eased the financial burdens on families as they cared for their loved ones. For millions of American women, in particular, Medicare has been the lifeline to a dignified retirement.

As the report released today by the Older Women's League so clearly tells us, a strong and modern Medicare system is absolutely vital to the health and future of America's women. First it is critical because the majority of beneficiaries quite simply are women. Listen to this: 20 of the 34 million Americans currently enrolled in Medicare are women. I think we've got a chart that says that. But look here: 41 million -- 41 percent of the people in this country on Medicare over 65 are men; 59 percent are women.

And, of course, as time goes on, the percentages get better or worse, depending on the perspective. (Laughter.) Twenty-nine percent of the people over 85 are men, 71 percent are women; 17 percent of people over 100 are men, 83 percent are women. You may think those numbers are insubstantial, but Americans over 80 are the fastest growing population group in the United States, and I'm sure that most of us hope to be among them some day. So this is very important.

Second, without Medicare the doors to hospitals and doctor's offices to basic medical treatment and good health would actually be closed to millions of older women. Throughout their lives, women's incomes have always lagged behind those of men, a gap underscored in retirement through smaller pensions and Social Security checks. So even as they must make ends meet on smaller incomes, women must meet greater health care needs. Nearly three-fourths of older women have two or more chronic illnesses, compared to just 65 percent of older men. For these women, Medicare has truly meant the difference between a healthy retirement and one clouded by uncertainty, untreated illness and poverty.

Now, as you have just heard, the clock is ticking on Medicare's ability to meet the needs of our seniors in the next century. People living longer than ever, the retirement of the baby boom approaching, the Medicare trust fund will become insolvent by 2015. Now, you may think that's a good ways away, but let me tell you, when I took office, Medicare was supposed to become insolvent this year. And we took a lot of very strong steps to stop it from happening.

But we have taken all the easy steps, and some that, arguably, have gone too far. Everywhere I go, people say, you know, the therapy services have been cut back too much, or the inner-city hospitals with big teaching loads or the teaching hospitals generally -- not just in the big urban centers -- everywhere I go, people talk to me about this. So it should be obvious to everyone, there are no longer any easy ways to lengthen the life of the Medicare trust fund -- just as people are living longer and accessing it more. So that is problem one.

Problem two is that Medicare's benefits have not changed significantly since 1965, although the world of modern medicine has changed dramatically. There are some who really believe we can afford to put off this until later. I disagree. To them I say, listen to Judith Cato's story. Like millions of women in the same situation, affording prescription drugs for herself is right around the corner, and for her mother is today.

The typical 65-year-old woman retiring this year can expect to live to be 84. That's 19 more years of retirement. But if we don't act soon, the Medicare trust fund will expire in 16 years. Over the past six and a half years, we have managed to transform an economy burdened by an unconscionable deficit of \$290 billion to an economy that today is the picture of fiscal health, with a surplus of \$99 billion and a large projected surplus over the net decade. We've done this by balancing the budget, cutting unnecessary spending, expanding our investments in education and training, expanding our trade abroad; all of it bringing interest rates down and getting investment up and giving us a remarkable period of economic growth -- the longest peacetime expansion in our history; nearly 19 million new jobs and the lowest minority unemployment and the highest home ownership ever recorded.

The question is, what are we doing to do with this? We know what one plan is -- you have talked about it. The majority in Congress say, well, let's approve a big tax cut now and worry about Medicare and extending the life of the Social Security trust fund, scheduled to run out of money in a little more than 30 years -- let's worry about that later.

One of my bright staff members said, it's kind of like a family sitting around the kitchen table saying, you know, we have always wanted to plan a really fancy vacation to Europe -- let's just do it and blow the works, and when we get home, we'll figure out whether we can pay the mortgage, the car payment and send the kids to college. (Laughter.)

You're laughing, but you know, it's not just a question of the size of the tax cut. Why are we even discussing it before we decide what it takes to save and strengthen Medicare, and what it takes to save Social Security, and what we have to invest in the education of our children, the defense of our nation, the protection of our environment. Why don't we ask ourselves what it is we have to do before we ask ourselves what it is we would like to do?

Now, so what do I think we have to do? Here's what I think we should do. I think, first of all, my plan would secure Medicare by dedicating over \$320 billion of our budget surplus for 10 years, to extend the life of the trust fund from 2015 to 2027. That would be the longest projected life we've had on the trust fund in many years. But we have not been this financially healthy in many years, nor have we faced the challenge of so many people retiring and living so long ever before. So we need to know it's going to be all right for a good while.

Secondly, we will introduce more modern mechanisms of competition to improve quality, but to control costs as well as we can, as private sector innovations have done. We will give seniors the chance to choose between lower-cost Medicare managed-care plans and the traditional program, but we will not support changes that would force them to move from one to the other.

I also believe it's important to modernize benefits and, over the long run, the economical thing to do. Over the last 30 years, a medical revolution has transformed health care, and in many cases prescription drugs now supplant what used to be routinely dealt with with surgeries. They have lengthened and improved the quality of life.

As the Older Women's League study shows, women have borne the greatest cost of this pharmaceutical revolution. According to the next chart, women spend \$1,200 a year on prescription drugs, on average -- about 20 percent more than men. Now, as you have already heard, our plan will help seniors to afford the prescription drugs that have become essential to modern medicine. The plan is completely voluntary, but available to all Medicare beneficiaries.

This is a challenge, I might add, not just for poor women. It is also a challenge for middle-class women as well. Look at the next chart. Half of all middle-class women -- that is, for seniors, those who make at least \$12,700 a year or, with couples, \$17,000 a year -- have no prescription drug coverage at all. So among those who have no coverage, a quarter are below the poverty line, a quarter are between 100 and 150 percent of poverty, half are over 150 percent of the poverty line -- although, if your drug bills are big enough, it doesn't take long to get down below the poverty line again.

Women who have tried to buy extra coverage through private Medigap policies have to cope with escalating premiums as they get older. That's one of the great ironies of these Medigap policies that -- I keep hearing about, you know, we don't really need this because of Medigap. They get more and more and more expensive as you get older and older and older and less and less and less able to come up with the money to pay for them.

Now, I think anybody that says we don't need to do this is out of touch with people's real lives and out of date. I'd also like to point out that our plan would eliminate the last barrier between seniors and preventive screenings -- tests for breast cancer, colon cancer, prostate cancer, diabetes and osteoporosis -- that can help save their lives. For too many seniors on fixed incomes, especially low-income women, the cost of the modest co-payment is

prohibitive. Last year, for example -- listen to this -- just one in seven women took advantage of the mammograms covered by Medicare.

So what we want to do is to eliminate the deductible and the co-payments for the preventive screenings -- (applause) -- and we pay for it by introducing a modest co-pay on lab tests that are frequently overused, ones that have been identified, and by indexing to inflation the modest Part B premium, which will be much less burdensome because it's more broadly spread in a smaller amount of money. But the people who need these preventive screenings, this will save lives.

Consider the irony of this. Every condition I just outlined, we pay for the doctor benefits, we pay for the hospital benefits, but we don't want to let people get the preventive screenings that will keep them from spending that money in the first place -- keep them healthy and keep them alive. This is a good thing to do.

Now, this is a good plan. It is a responsible plan. And it is important that we deal with the Medicare challenge now, while we have the funds and the prosperity to do so. I have proposed to dedicate the Social Security portion of the surplus to Social Security, but also to lengthen the life of the trust fund by taking the interest savings we'll have, because this will allow us to pay the debt down, and putting it into the Social Security trust fund, so it will last longer. So we'll have at least over 50 years of life on the Social Security trust fund. (Applause.)

And as I said, I proposed to put over \$320 billion in Medicare. There's not a single expert on this program who believes that we can stabilize the fund and lengthen the life of it and deal with the coming demographic challenges without more money. No one who has looked into this believes it. And I think this is very, very important, because if the tax cut being pushed by the congressional majority, which includes vast benefits for people in my income group and higher -- who have done quite well in the stock market, thank you very much -- (laughter) -- and are not clamoring for it, and are worried that it will destabilize the economy -- even today, there are stories in the paper that if we have a big tax cut, with the economy growing as fast as it is, it might stimulate inflation, which would cause increases in interest rates, which would take away all the economic benefits of the tax cuts in higher interest rates.

So I say to you, I do not believe that is the wise thing to do. I think first we should say, let's save Social Security and Medicare; let's add this responsible prescription drug benefit; let's decide the commitments that we ought to make -- to give our children good education, to keep our streets safe, to biomedical research, to national defense, to the environment -- and then let's decide what we can afford in a tax cut. Let's do first things first.

In addition, another benefit of my plan not present in any other one is that if my proposal were to pass the Congress, in about 15 years we would actually be out of debt as a nation, for the first time since 1835. (Applause.)

Now, the significance of that for older Americans is quite important. Why? Because if we are out of debt, it means we will have long-term prosperity, lower interest rates --

which means lower costs for business borrowing, more investment, more jobs, higher incomes, and for families, lower home mortgages, car payments, credit card payments and college loan payments. That amounts to a very big tax cut over 10 or 15 years, getting this country out of debt, making us less vulnerable to the vagaries of the international financial system, securing the long-term economic stability for the young people here in the audience and throughout our country.

Believe it or not, we can do all that and still have a fairly sizable tax cut. I propose to let people use it for retirement savings, for long-term care, for child care. But the point I want to make today is not so much what we spend it on, but how much it can be, and in what order we are doing this. We did not get to this moment of prosperity by figuring out how to eat our cake, and then looking around for the vegetables. (Laughter.) That's not how we got here. We got here -- and a lot of members of Congress lost their jobs over it because we took the tough decisions in 1993 to get the deficit down, to bring interest rates down, and to do it without having to give up on obligations to education and to our other important national priorities.

So here we are with this opportunity of a lifetime to deal with this, and I think we ought to do it. Now, I regret that, as all of you know, the congressional majority appears to have a different philosophy. Look what happened -- last week, in the House of Representatives, they passed an irresponsible tax bill that would spend our surplus, it wouldn't devote a dime -- not a dime -- not one dime to extending the solvency of Medicare. And interestingly enough, these tax cuts are worded so that they won't go into full effect until the year 2010, just when the baby boomers start to retire. And in the second 10 years, they'll cost way over twice as much as they did in the first 10 years.

Now -- so the whole impact of them will hit us right between the eyes as the baby boomers retire, Medicare nears insolvency, Social Security starts to show strains.

This week, the Senate is going to take up a similar bill. They also, I might say, as all the analysis -- I don't know if you've had -- I don't want to take time today to do this, but if you haven't seen the analysis of the bills, you ought to, because they're standing up there saying if we don't give this money back to you -- "they" -- i.e., me and my allies in Congress -- will spend it on "their" friends.

Well, Judith is my friend. (Laughter and applause.) It sounds so great: "we want to give it back to you, they're going to spend it on their friends." We want to spend it on saving Social Security and Medicare, educating our children, paying down the national debt and getting us out of debt, to help our friends, the American people.

They tickle me, you know, these guys. They were fighting the patients' bill of rights several days ago and they said, oh, these Democrats, all they do is stand up and tell stories, we're talking about something besides stories. Well, I don't know about you, but the older I get the more it seems to me like life is just a collection of stories. (Laughter.) And people are pretty important -- a lot more important than statistics.

And I'm telling you, I've been at this business a long time. This country may never have an opportunity like this. And they're spending it on their friends. (Laughter and applause.) And, ironically, their friends are better off under our plan because the stock market has more than tripled -- their friends have done very well under our plan. We have had an economic policy that has been non-discriminatory, benefiting Republicans and Democrats, alike. (Laughter.)

Look, today I want you to read the papers today. They point out that the Congress, the majority, has begun resorting now to accounting gimmicks, because they've approved such a big tax cut they can't meet the fundamental obligations of government without beginning, right now, to spend the surplus. And they don't want to acknowledge that, so they've resorted to accounting gimmicks to disguise the fact that they're dipping into the surplus. They can't live within the budget limits we set in 1997 -- I told you, we all know we cut Medicare too much in '97; we're going to have to fix it. A lot of you know it. A lot of you deal with these programs and these health care providers.

But they want to give the illusion they're living within the budget limits, nothing has to be done, and they can have this tax cut. I'm telling you what's going to happen. If this tax cut were to become law, it would mean huge cuts in education, huge cuts in the environment, huge cuts in medical research, huge cuts in health care, and huge cuts in national defense -- or, if they didn't do that, we would see -- balloon the deficit again, just like we did in the 12 years before I took office, when the national debt quadrupled.

We tried it that way; it didn't work very well. Why are we going down the same road we tried before, when we have a road that we have tried for six and a half years that has brought us to this point? Why would we reverse course instead of building on what we've done and going beyond it? It is a big mistake, and it's wrong. It's not just wrong for the seniors. It's not just wrong for the women of this country. It's wrong for all Americans. It is not the right thing to do.

Now, it also -- it will take away the single best opportunity any of us will ever have in our lifetimes to save Social Security for the baby boomers, to save and strengthen Medicare, and to get us out of debt for the first time since 1835 -- to give the young people in this room a chance at a generation of prosperity. And I don't believe any thinking person, once they understand what the real numbers are -- let's get out of the rhetoric here, who's going to give it to whose friends and all that. What are the numbers? This is an arithmetic problem.

You know, I told people when I got elected President -- I'd come from a state with fairly straightforward values and ways of doing things, and I thought we ought to have a radical new idea in Washington -- we'd bring basic arithmetic back to the budget. (Laughter.) And basic arithmetic has worked pretty well. This doesn't add up.

And so I ask you to help me send the word to the Congress that let's do first things first. Let's fix Medicare. The women of America especially need it. (Applause.)

You know, we have to work together. Every time we get in one of these fights people throw their hands up. But there's normally a process that goes on here. When we were doing welfare reform I vetoed two bills because it took away the mandate of health care and nutrition for children. We finally got a welfare reform that I thought was right, it carried by big majorities in both parties, in both Houses -- we have the lowest welfare rolls in 30 years. And we did it in an election year.

Then the next year we did the Balanced Budget Act and it has worked superbly. The only problem with it is that the Medicare cuts were too burdensome on certain groups, and we're trying to fix that. But I can tell you that if this tax cut passes there will be breathtaking cuts in every area of our national life that you would believe is important, over and above what it would do to totally rob us of any chance to stabilize and improve Medicare and save it for the baby boom generation.

We have big tests as a country: How are we going to deal with the aging of America? How are we going to give all of our kids a world-class education, especially since more and more of them come from families whose first language is not English? Those of us who expect to be alive in 20 years, or hope to be, better hope we do a good job of educating those kids.

How are we going to deal with all these other challenges? How are we going to bring economic opportunity to people who still haven't felt it? How are we going to stabilize the economy so that we'll still be growing even better 10, 15, 20 years from now? These are big challenges. But they are high-class problems in the sense that nations rarely get these opportunities. Once in a lifetime you get a chance to stand up with your country in good shape, bring people together, look down the road and say, yes, these are big challenges and we're going to check them off -- one, two, three, four -- because we have the money and the vision to deal with them.

So my appeal today is that we not get into a big fight, we just go back to basic arithmetic. These tax bills the majority is pushing could not get the support of their own members if we had a chart up on the wall that says, here is what we have to spend just to stay where we are today in education, defense, the environment, medical research; here's what every expert says it takes to stabilize Medicare; here is the interest savings you ought to be putting into the Social Security trust fund; here is what we have to do to fix health care. They agree we have to do some more for veterans care. They agree with these things -- the numbers don't add up. We cannot take the vacation without paying the home mortgage, the car payment, and the college loan bill. We can't do it. We can't eat the cake until the vegetables and the soup are out of the way. And we cannot defy the basic laws of arithmetic.

And contrary to some of the debate, we cannot forget the stories. This is about how millions upon millions upon millions of Americans will live. Will they live in dignity and health, or will they live in want and insecurity, imposing unconscionable burdens on their children, and limiting their children's ability to raise their grandchildren?

Or will we use this moment to build a more prosperous, more just, more decent society? This is about way more than drugs and trips to the doctor. This is about what kind of people we are and whether we can look beyond today to the tomorrow we all want for all of us.

Thank you. (Applause.)

END 11:06 A.M. EDT