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BYLINE: DIANE DUSTON

DATELINE: WASHINGTON

BODY:

Medicare trustees warned on Wednesday that the health system now insuring 37million senior citizens will be bankrupt by 2001 unless Congress and the president work together to fix it.

President Clinton said it could be done. Republicans said politics should be put aside to save the system, but blasted Clinton for vetoing their Medicare proposals of last year.

"We have the ability right now to put 10 years on the life of that trust fund, and we ought to just do it," Clinton said as he went into a meeting on Capitol Hill with House and Senate Democrats. "The differences in our numbers are not that dramatic."

But Senate Majority Leader Bob Dole said: "The administration has chosen either to ignore the warnings of Medicare's impending bankruptcy, or to engage in a very sad campaign to frighten America's senior citizens."

"The president vetoed our Medicare proposal, and we have heard nothing but attacks on Republicans for slashing and cutting Medicare," he said in a Senate speech.

Senate Democratic leader Tom Daschle of South Dakota noted that Dole is leaving the Senate next Tuesday.

"We have six days to do some very important work," Daschle said. "There's no reason we can't resolve this Medicare trust fund problem now."

Treasury Secretary Robert Rubin, Health and Human Services Secretary Donna Shalala and Labor Secretary Robert Reich who serve on the Medicare board of trustees also said a bipartisan solution to Medicare's problems were within reach.

"It is possible in a political year to do the responsible thing," said Shalala.

While the focus was on Medicare, the trustees also reported that Social Security will be broke a year earlier than previously predicted 2029 instead of 2030.

But Commissioner Shirley Chater said there was time to fix the system before then and noted that an advisory committee would be issuing its report soon for making Social Security healthier financially.

The trustees recommended establishing a similar Medicare advisory commission to guide the government on major restructuring that will be necessary after 2006 to serve the health needs of the bulging senior population.

For now, Rubin said the president is proposing $116 billion in Medicare savings to keep the program solvent until 2006, while the Republicans' last proposal was $168 billion. Within the $116 billion, there is common ground, he said.

House Ways and Means Chairman Bill Archer, R-Texas, said, however, the president should update his proposal to reflect the deepening crisis.

"We also ask President Clinton to mail a copy of the trustee report to every senior citizen so they can read it for themselves," said Archer.

Medicare finances have worsened because of higher costs for home health care, nursing facilities and hospice care and because hospitals are performing more expensive procedures on the elderly, said Shalala.

She also said less money than expected came into the fund through payroll taxes.

The hospital fund, referred to as Medicare Part A, gets most of its money from a 1.45 percent payroll tax paid by workers and their employers.

Medicare Part B, which pays for doctor visits, lab tests, outpatient services and mental health, is supported by premiums paid by beneficiaries and general government revenues. That fund is not in trouble.

The hospital fund could be preserved partly by moving some of the hospital fund expenses to Medicare Part B and also cutting payments to health care providers, Shalala said.

But Dole said: "The solution cannot be a shell game, moving money from one part of Medicare to another. A tax increase is also not the answer."

Besides keeping the system solvent for existing retirees, the government must plan for 2010 when the first of 76 million baby boomers turn 65.

"We have to have a two-stage process," said Patricia Smith, health care expert for the American Association of Retired Persons.

If Republicans and Democrats would put off making structural changes in the program now and concentrate on short-term spending, they could keep Medicare solvent through 2006, she said.

"They were close last year," Smith said. "You could do it now and implement it in 1997."

Both sides have proposed moving Medicare toward managed care, noted former Congressman Tim Penny of Minnesota, who now consults on health care issues for the Concord Coalition.

"That's one reform that shouldn't be terribly controversial," he said.

Long-term changes could include asking wealthy elderly people to pay higher premiums, he suggested.

LANGUAGE: ENGLISH

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May 22, 1996, Wednesday, BC cycle

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HEADLINE: Hillary speaks to AARP meet at Denver

DATELINE: DENVER, May 22

BODY:

Hillary Rodham Clinton said Wednesday that the nation must protect the "safety net" for senior citizens established in the past three decades. "We cannot go back to the days when older Americans had to choose between paying their heat bills and doctor bills," the first lady told the American Association of Retired Persons convention. She emphasized the need to keep strong senior citizens programs like Medicare, noting that only half of all older Americans 31 years ago were covered by insurance. In an address that sounded like a campaign speech for her husband, Clinton warned that Congress' pursuit of a balanced budget could reduce protections vital to senior citizens. "We should not fall into the false choice of balancing the budget and protecting families, because we can do both," the first lady said. "They are both within our needs." Clinton also applauded the AARP's establishment of a grandparents' resource center, citing new statistics that 3.4 million of the nation's children live in a household headed by a grandparent.

LANGUAGE: ENGLISH

LOAD-DATE: May 23, 1996

Remarks to Senior Citizens in North Miami Beach

September 19, 1995

The President. Thank you. Wow. Thank you so very much, Governor Chiles and Lieutenant Governor MacKay and Attorney General Butterworth and members of the legislature and Mayor, other local leaders and, especially, Ginger, thank you for that wonderful introduction and that wonderful comment about the joys of old age. [*Laughter*] The last year has brought me prematurely closer to those joys—[*laughter*]—as I have worked along in Washington.

I did come here today to talk about Medicare and Medicaid, but I'd like to put them, if I might, into a little bit of context about what's going on in our country today for all the American people. We are, all of us, privileged to be living through one of the most interesting periods in our country's history, where the way we work and the way we live is changing very, very rapidly.

I think that you could argue that since we got started as a country, we've had about four periods of really profound change: obviously, leading up to and then after the Civil War; and then when we changed our economy from a rural to an industrial economy between about 1895 and about 1916; and then the Great Depression and World War II and the cold war; and now, coming out of that.

I believe this is the most profound period of change we have faced in 100 years in the way we live and the way we work. And whenever those kinds of things happen, we have to think anew about what our basic values are, what kind of people we are, what our obligations to one another are across the generations and across incomes and in different ways of making a living, and we have to chart a course for our country's future.

For me, that means that we have to have a period that is governed by new ideas rooted in old-fashioned values. This is still a country, fundamentally, that's about individual liberty and individual responsibility, devotion to family and devotion to community, rooted in the idea that we all ought to work if we can, and we all have responsibilities, not only to ourselves but to each other, and that we also have a responsibility to be a beacon of hope to the rest of the world. And that is what we have tried to do.

We've tried to change the economic policy of the country in a way that would bring the deficit down but invest more in education and technology, and it seems to be working. We've got 7.3 million new jobs. Florida is growing jobs at 3 times the rate it was growing them before our administration came in. And we've reduced the deficit from $290 billion a year to $160 billion a year in only 3 years. So we need new ideas and a new direction.

We have found a way to do this while increasing our investment in the education of our children, something I know all of you care deeply about and something that is more important than ever before. We know we've got to cut some things. Your Government is much smaller than it was the day I became President. We've reduced the size of the Federal Government by 160,000, and by the time I finish this term we'll have the smallest Federal Government we've had since President Kennedy was the President of the United States, trying to give you a more entrepreneurial, less bureaucratic, less cumbersome Government, but still one that could fulfill our fundamental values.

Today, even as we speak, the Congress, in the Senate at least, is debating the very important subject of welfare reform, something I've worked on for 15 years, almost as long as I've worked on issues affecting senior citizens in America. What we all want, I think, is for people on welfare to be able to live the way the rest of America lives. We want people to be able to succeed as workers and as parents. We want the values of family and work and responsibility to triumph. We don't want anybody to be trapped, generation after generation, on welfare. And we know it would be good for the rest of us as well if they were liberated and became taxpayers instead of tax drawers. We know that.

Since I've been President, waiting for the Congress to act, I've done what I thought I could to move people from welfare to work and help them succeed as parents. Florida is one of 34 States now that have received permission to get out from under old-fashioned Federal rules to put people to work. And in just one of Governor Chiles's experi-

ments in the last year, the Florida Family Transition Program, they've moved over 800 people from welfare to work. It's one thing to talk about it, quite another thing to do it. And so, congratulations, Governor, for doing it.

Now, this bill that they're debating in the Senate today has broad bipartisan support because it will help to move people from welfare to work, and it will help families to stick together. And I want to say more about that in the context of Medicare and Medicaid in a moment.

So if welfare reform remains a bipartisan effort to promote work, protect children, and collect child support from people who ought to pay it, we will have welfare reform this year, and it will be a very great thing. But if the Congress gives into extremist pressure and walks away from this bipartisan American common ground, they will kill welfare reform. So I ask you to do what you can without regard to your party to encourage your Senators and your Members of Congress to give this country a welfare reform bill that is pro-family, pro-work, pro-responsibility and pro-child. We can do that, and we ought to do it.

Now, what's all that got to do with Medicare and Medicaid? Everything. Why? Because now we have also a bipartisan consensus in Washington for balancing the Federal budget, something that hasn't been done since 1969, although the deficits in the seventies were pretty small and basically related to economic slowdowns. So there is a broad bipartisan agreement that we ought to do it. I believe we ought to do it. And I'm glad to help supporters in the Congress from both parties who want to do that. We had to have a one-party effort to take the deficit from $290 to $160, and we need everybody's help to go all the way. And I'm for that.

But how we decide to balance the budget will tell us a lot about what kind of people we are, what our values are, what we're going to take into the next century, what we're going to say to our young people about what they can look forward to as they grow up into productive adults and then they grow into old age. It will say a lot about what we think our obligations are across generational and income lines.

One of the things that has dismayed me about this discussion of Medicare and Medicaid has been the suggestion that anybody that doesn't support the congressional plan is somehow a wealthy older person who is insufficiently sensitive to the needs of the younger generation. That is a load of bull. I can tell you that in all my experience in public life, and I have been working on these issues for 20 years now, the thing that has always humbled me—and my State, Arkansas, had, when I was serving, in every year the second or the third highest percentage of people over 65 in the country—the thing that always amazed me was how much the seniors in my State wanted to take care of their children and their grandchildren, how much they supported efforts to improve education, how much they supported efforts to strengthen the economy, how much they were not interested only in their own issues.

And so I say to you, if you say you don't like this plan in Congress, that doesn't mean that the rest of us think you're either rich or greedy. You have a right to see that there is decency and honor and obligation across generational and income lines as we balance the budget. We have to do it in a fair and decent and honorable way.

Now, here's the problem. It is true that medical costs in the budget have become a bigger and bigger and bigger part of the Federal budget. It is true that medical inflation is going up faster than the inflation rate as a whole. It is also true that we're all living longer. So we've got a higher percentage of Americans on Medicare and elderly people on Medicaid. Praise the Lord, we're all living longer. That's a good thing. I hope it extends to Presidents. [*Laughter*]

It's also true that the system itself, through fraud, abuse, and other problems, has had a higher rate of inflation so that, unfortunately, both the Government and people on Medicare have been paying more every year for the same health care in ways that are unacceptable. And that if we want to balance the budget, we need to slow the rate of growth in health care spending.

It's also true that the Medicare Trust Fund has to be protected. Now, let me talk a little about that. You pay Medicare. You know—if you're involved in Medicare, you know how

it works. You know how it works. There's a Part A which is basically hospital and related services paid for by a payroll tax and that goes to providers and essentially that is in the Trust Fund. And there's a Trust Fund. There's a Part B that deals with all kinds of other services, primarily physician services, medical equipment, and other things, which are paid for out of general tax revenues and contributions by seniors directly—payments.

Here is what I want to say to you about this Medicare issue: We have proposed a balanced budget—I have—that slows the rate of medical inflation and payments to providers to fix the Trust Fund for another 10 years. And we have proposed to do it exactly like the people who are in charge of the Trust Fund, the Trustees, say we need to do. And it doesn't cost seniors anything more than they are otherwise going to pay in the ordinary course of medical inflation.

The Congress, the majority in Congress have proposed Medicare cuts that are more than twice that much. And less than half of them are going into the Trust Fund. The rest are going to pay for the 7-year balanced budget and the tax cut.

So I say, I will work with anybody, anytime, anywhere to fix the problems of the Medicare Trust Fund. But it is wrong to take more money from people whose average income is way below $20,000 to pay for a 7-year balanced budget and cuts in other areas and a big tax cut for people who don't need it. That is not right. So let's fix the Trust Fund, but let's don't dishonor our obligations across generational and income lines by pretending that we're fixing the Trust Fund when we're taking money from seniors to pay for a tax cut that is too large. That is not right.

Audience member. Hear! Hear! Tell 'em!

The President. Let's look at the Medicaid problem. Medicaid has nowhere near the political support in the country now that Medicare does because most people think it's a welfare program. And they think, if it's a welfare program, we can probably cut it some.

I have proposed to slow the rate of spending in Medicaid. Their cuts are 3 times as great as mine. The problem is that 70 percent, almost, of Medicaid spending goes to elderly people and disabled people for nursing home care and in-home care. And if these cuts are as large as they are said to be—and for hospital care for low-income people—if these cuts are as large as they are said to be, then we will have people who through no fault of their own, who don't have any money, who either won't be able to get in nursing homes, won't be able to get in-home care, and millions of kids who won't be able to get hospital care.

If you take $450 billion out of the system over the next 7 years, I question whether we can keep our urban and rural hospitals open, whether the great teaching centers—making us the finest medical country in the world in terms of the quality of health care—will be able to do well. And there is a limit to how much seniors can afford to pay. Seventy-five percent of the people over 65 in this country live on less than $24,000 a year.

I came here to say to you, we're going to make some changes in this program. We need to save the Trust Fund, but don't you be fooled into thinking it costs $270 billion to save the Trust Fund. It costs less than half of that. And the rest of that money is going to go right into the general treasury and be used to pay for a 7-year budget and a tax cut that's too big. And I don't think that is an appropriate thing to do. And I don't think you think it is an appropriate thing to do.

I am not promising pie in the sky. Everybody here knows that the average senior on Medicare is paying the same percentage of income out of pocket for health care as you were paying before Medicare came in in the first place, because medical inflation has gone up so much. You all know that there's a lot of fraud and abuse in the system. And, by the way, both parties agree on that, and I think we'll reach an agreement on it. And I want you to know what I'm trying to do about that. We have doubled—doubled—prosecutions for fraud and abuse since I've been President. We have tripled—tripled—the number of FBI agents working on health care fraud since I've been President.

We need your help. The United States Attorney for this district, Kendall Coffey, is here. He gave a report to the group upstairs about what he's trying to do here. We need senior groups all over America to help us to uncover fraud and abuse. A congressional

study said as much as 10 percent of the money may go into fraud and abuse. If that's true, we can put that into savings, and it doesn't have to come out of anybody's pocket, except people who shouldn't be spending the money in the first place.

We are going to have to make some changes. We do have an obligation to preserve Medicare for you, for the people who come behind you, for your children, and for your grandchildren. It's a program that works. But we also have an obligation to make sure that Medicare and Medicaid do their job for America's seniors and do their job for the poor children of this country.

It isn't popular to speak up for the poor children today. It isn't popular—sort of the fashion is to say, well, if they're poor, whatever they get they deserve. The Bible says the poor will always be with us. And all those little poor children, they're going to be grown up some day. And if they don't have decent health care and decent nutrition and good role models and people who care about them, do you think they're going to be good citizens who can take care of my generation when we get old? So just because they're poor, and they're on Medicaid, too, we shouldn't forget about them. We shouldn't act like we have no responsibility to them. It's not their fault what families they were born into. It's not their fault what their family circumstances are.

So what I want you to do is this: I want you in one voice to say, to all of us—we don't care if you're Republicans or Democrats—go balance the budget, go fix the Medicare Trust Fund, make the changes you have to make to do that, but do not take money from elderly people that barely have enough to live on, that have made their contributions all their lives, and give it to people who aren't even asking for a tax cut and don't need it. Don't do that. That doesn't make any sense. It defies common sense. Slow the rate of growth in that Medicaid program but don't do it so much that we can't take people into nursing homes, don't do it so much we can't deliver home care to people who need it and that's cheaper, don't do it so much that we have to turn away poor children who will be scarred forever if we don't take decent, minimal care for them. That's not necessary. We don't have to do that to balance the budget. Send a voice that I know is in your heart.

I have been—as I said, I have been working on issues of health care, consumer rights for seniors for 20 years. I had my first long-term care conference as an attorney general almost 20 years ago. And I know that the senior population in this country is generous and forward-looking. But I also know that the only way we can continue to have a growing, healthy, strong senior population that is generous and forward-looking is to be decent and honorable and fair.

It is fair and decent to fix the Trust Fund. It is right to do what we can to crack down on fraud and abuse and to slow the rate of medical inflation and to slow the rate of medical inflation in the Medicaid and the Medicare program. But it is not right to pay for an arbitrary balanced budget and a very large tax cut, a lot of which goes to people who don't need it and, to be fair to them, have not even asked for it, to turn around and run the risk of putting Medicare out of the reach of seniors, putting Medicaid out of the reach of seniors, and undermining our solemn obligation to honor one another across the generations. That's what we need to do.

We can get into the 21st century with a growing economy, a balanced budget, a stable future, but only if we do it consistent with our fundamental values. What is proposed up there is not consistent with our values and doesn't make common sense. But we can make common sense, balance the budget, save the Trust Fund and leave Medicare and Medicaid in good shape for you and the people that come behind you.

So tell the Congress and everybody else in Washington to throw away the partisan, political, extremist ideology and the rhetoric and get down to work on doing America's job for America's future.

Thank you, and God bless you all.

NOTE: The President spoke at 2:47 p.m. at Point East Senior Center. In his remarks, he referred to Robert Butterworth, Florida attorney general, and Ginger Grossman, who introduced the President.

AARP Speech 5/22/96
As Delivered

STATES, HILLARY RODHAM CLINTON.
\B
>> THANK YOU.
THANK YOU VERY MUCH.
THANK YOU ALL FOR THAT WARM
WELCOME.
IT IS A PLEASURE FOR ME TO BE
HERE WITH YOU.
I WANTED TO ACKNOWLEDGE THE
THREE REPRESENTATIVES WHO
GREETED ME, HORACE DEETS AND
MARGARET DIXON, AND TO THANK
GENE FOR HIS INTRODUCTION.
I JUST CAME FROM A SESSION WITH GOVERNOR ROMER, WHERE WE
LISTENED TO CHILDREN.
CHILDREN BETWEEN THE AGES OF 8
AND 18.
THEY SAT ON THE FLOOR.
WE SAT IN CHAIRS.
WE ACTED AS THOUGH WE WERE IN A
LIVING ROOM, LISTENING TO THEM
AS THEY TOLD US ABOUT THEIR
LIVES.
AND TIME AND AGAIN, AS THE
CHILDREN SPOKE, I WAS REMINDED
HOW GRATEFUL WE ALL ARE FOR OUR PARENTS AND OUR
GRANDPARENTS,
AND SOMETIMES FOR PEOPLE BEYOND
OUR FAMILIES WHO ARE THERE TO
LEND A HAND, A COACH, A TEACHER,
A MINISTER, A NEIGHBOR, SOMEONE
WHO TAKES A CHANCE AND GIVES A
YOUNG PERSON A JOB.
ALL OF THE ADULTS WHO HELP SHAPE
A CHILD'S LIFE.
AND FOR ALL OF YOU, I WANT YOU
TO KNOW THAT WE ARE GRATEFUL,
THOSE OF US RAISING CHILDREN
TODAY, THE CHILDREN WHO EVEN
THIS MORNING TALKED ABOUT THE
WORLD THEY WANTED FOR THEIR OWN CHILDREN, FOR YOUR MANY,
MANY CONTRIBUTIONS.
I WOULD HAVE BEEN HONORED TO
COME AND SPEAK HERE AT THIS
CONVENTION UNDER ANY

CIRCUMSTANCES.
BUT I HAVE A COUPLE OF SPECIAL REASONS.
THE FIRST IS THAT AS OF AUGUST
19th OF THIS YEAR, I WILL BE
MARRIED TO A 50-YEAR-OLD MAN.
AND IT SEEMS AS THOUGH WE ONLY
HAVE A COUPLE OF NATIONAL
RITUALS IN OUR LIVES THESE DAYS.
ONE IS WHEN YOU TURN 16 AND YOU
GET A DRIVER'S LICENSE.
THE OTHER IS WHEN YOU TURN 50
AND YOU GET THE INVITATION FROM
THE AARP.
SO, IN PREPARATION FOR THAT
MOMENTOUS OCCASION IN MY OWN
LIFE, I WANTED TO COME AND TALK
WITH YOU ABOUT SOME OF THE MANY,
MANY ISSUES THAT CONCERN YOU AND CONCERN AMERICANS
EVERYWHERE.
INDEED, IT WAS A LITTLE BIT
DIFFICULT TO NARROW DOWN THE
SUBJECT THAT I WOULD WANT TO
TALK ABOUT, BECAUSE I KNOW
YOU'RE CONCERNED ABOUT
EVERYTHING THAT HAPPENS IN OUR COUNTRY.
WHEN I SAW HORACE EARLIER BEFORE COMING ONSTAGE, I TOLD HIM
I'D
BEEN AT THIS CHILDREN'S
CONFERENCE, AND I FELT LIKE MY
DAY WAS COMPLETE.
GOING FROM TALKING ABOUT
CHILDREN'S NEEDS TO COMING HERE.
AND HE SAID, WELL, WE CARE ABOUT CHILDREN, TOO.
AND PROUDLY POINTED TO HIS
BUTTON WHICH SAID, "STAND FOR CHILDREN."
AND WHAT IS EXCITING TO ME ABOUT
WHAT I SEE GOING ON IN THE
COUNTRY TODAY IS THAT WE ARE
BEGINNING TO WORK TOGETHER TO
SOLVE OUR PROBLEMS.
YOU KNOW, IF YOU ONLY LISTEN TO
THE NEWS, YOU'D THINK THAT
NOTHING GOOD EVER HAPPENS IN
AMERICA.
YOU WOULD FORGET ABOUT THE

COUNTLESS DECISIONS THAT ARE
MADE EVERY DAY WHERE PEOPLE ARE
TAKING RESPONSIBILITY FOR THEIR
OWN FAMILIES.
WHERE THEY'RE FORMING
NEIGHBORHOOD PATROLS TO KEEP
THEIR STREETS SAFE.
WHERE THEY'RE MENTORING IN OUR SCHOOLS.
WHERE THEY'RE VOLUNTEERING IN
HEALTH CLINICS.
WHERE THEY'RE DELIVERING MEALS
ON WHEELS.
WE DON'T HEAR THE GOOD NEWS.
WE DON'T SEE THAT OUR PROBLEMS
ARE BEING SOLVED.
AS MY HUSBAND SAYS, THERE IS NOT
A PROBLEM IN AMERICA THAT HAS
NOT BEEN SOLVED SOMEWHERE IN
AMERICA.
AND IT IS THAT ATTITUDE OF
CONFIDENCE AND OPTIMISM THAT I
BRING TO YOU TODAY.
BECAUSE I SEE IT AS I TRAVEL
AROUND.
I SEE WHAT IS HAPPENING THAT MAY
NOT MAKE THE NIGHTLY NEWS, BUT
IS, ONCE AGAIN, KNITTING THE
FABRIC OF OUR COUNTRY TOGETHER.
PEOPLE ACROSS RACIAL AND ETHNIC
AND RELIGIOUS AND AGE LINES
COMING TOGETHER TO SOLVE
PROBLEMS.
IF YOU HAD BEEN WITH ME IN A PHILADELPHIA SCHOOL IN THE
INNER
CITY THAT I VISITED A FEW WEEKS
AGO, YOU WOULD HAVE MET
GRANDPARENTS WHO ARE COMING INTO
THAT SCHOOL, WHETHER OR NOT THEY
HAVE GRANDCHILDREN, TO HELP
THOSE KIDS.
SOME OF THE RETIRED MEN ARE
HELPING TO FIX UP THINGS AROUND
THE SCHOOL.
OR MAYBE JUST STANDING ON THE SIDELINES WHILE A BUNCH OF
BOYS

PLAY BASKETBALL, AND BEING A
MALE PRESENCE IN THEIR LIVES.
IF YOU HAD BEEN WITH ME IN SOUTH FLORIDA, YOU WOULD HAVE
SEEN
POLICE OFFICERS COMING INTO A
MIDDLE SCHOOL AFTER THEIR DAY
WAS DONE TO MENTOR KIDS WHO HAD
BEEN IDENTIFIED AS HEADING FOR
TROUBLE.
AND THOSE KIDS WERE IN RAPTURE, BECAUSE THEY WERE BEING
GIVEN
THE ATTENTION OF ADULTS THEY
COULD RESPECT.
IF YOU'D BEEN WITH ME IN
CORPUS CHRISTI, TEXAS, YOU WOULD
HAVE GONE INTO A SCHOOL WHERE
BUSINESS LEADERS AND RETIRED
PEOPLE AND CITIZENS FROM THE
COMMUNITY WERE, AGAIN, TAKING AN INDIVIDUAL CHILD AND MAKING
SURE
THAT CHILD KNEW THERE WAS
SOMEBODY WHO CARED ABOUT HIM.
WHETHER I'M IN THOSE PLACES OR
OUTSIDE OF DULUTH, MINNESOTA, OR
IN THE SAN FERNANDO VALLEY OF CALIFORNIA, ALL PLACES I HAVE
BEEN RECENTLY, I SEE THAT WE
HAVE THE SAME PROBLEMS
EVERYWHERE, BUT I SEE PEOPLE WHO
ARE NO LONGER CONTENT TO JUST
WRING THEIR HANDS, BUT INSTEAD
ARE ROLLING UP THEIR SLEEVES AND GETTING TO WORK.
THAT'S THE AMERICAN SPIRIT THAT
HAS ALWAYS BUILT THIS COUNTRY.
AND THAT'S WHAT WE NEED TODAY,
AS WELL.
THERE ISN'T ANY MORE IMPORTANT
ISSUE THAN OUR CHILDREN.
YOU KNOW, WHEN YOU LISTEN TO A
GROUP OF YOUNG PEOPLE, AS I JUST
DID, IT IS BOTH AN INSPIRING EXPERIENCE AND A LITTLE BIT
DAUNTING.
ALL OF THOSE CHILDREN WERE VERY HONEST.
SOME TOLD ABOUT THEIR
EXPERIENCES WITH ALCOHOLISM AND
DRUG ABUSE IN THEIR FAMILIES,

DOMESTIC VIOLENCE, DIVORCE.
THEY TALKED ABOUT HOW IT FELT TO
BE UNDER SO MUCH PEER PRESSURE
TODAY.
BUT I WAS GLAD THAT THE GOVERNOR
AND I WERE LISTENING TO THEM.
BECAUSE BY LISTENING TO THEM, WE
WERE ABLE TO SAY, ADULTS DO CARE
ABOUT WHAT HAPPENS TO YOU.
AND THAT ALL OF OUR CHILDREN
ARE, IN SOME WAY, CONNECTED TO
THE KIND OF FUTURE MY CHILD WILL
HAVE.
THERE ARE A LOT OF PEOPLE WHO
TALK ABOUT FAMILY VALUES.
BUT WE HAVE TO DO MORE THAN
TALK.
WE HAVE TO ACT IN WAYS THAT
VALUE AND SUPPORT FAMILIES.
WE HAVE TO GIVE MOTHERS AND
FATHERS THE TOOLS AND SUPPORT
THEY NEED TO BE THE BEST PARENTS
THEY CAN BE.
AND WE ALSO HAVE TO RECOGNIZE
THAT GRANDPARENTS TODAY ARE
OFTEN ASSUMING MORE
RESPONSIBILITY FOR THE
UPBRINGING OF THEIR OWN
GRANDCHILDREN.
AS A YOUNG BOY, MY HUSBAND WAS
RAISED BY HIS MOTHER AND HIS GRANDPARENTS.
THEY TAUGHT HIM A LOT OF LESSONS
ABOUT HARD WORK AND
DETERMINATION.
AND TODAY WE KNOW THAT MORE THAN
3.4 MILLION CHILDREN LIVE IN A HOUSEHOLD HEADED BY A
GRANDPARENT.
WHEN I WAS IN ST. LOUIS VISITING
A PROGRAM WHERE CHURCHES AND SYNAGOGUES HAVE JOINED TOGETHER
TO SEND MEMBERS INTO MENTORING
WITH KINDERGARTENERS, I MET A GREAT-GRANDFATHER, WHO WITH
HIS
WIFE, IS RESPONSIBLE FOR RAISING
TWO YOUNG CHILDREN.
AND I WANT TO COMMEND THE AARP

FOR CREATING THE NATION'S FIRST LARGE-SCALE GRANDPARENT RESOURCE CENTER.
THANK YOU FOR RECOGNIZING WHAT IS GOING ON AND HELPING GRANDPARENTS.
THERE'S A GREAT DEBATE GOING ON IN WASHINGTON ABOUT THE ROLE OF GOVERNMENT.
BUT AT ITS HEART, THAT DEBATE IS ABOUT MUCH MORE THAN BUILDINGS OR BUREAUCRATS OR PROGRAMS OR POLICIES.
IT'S ABOUT WHAT KIND OF NATION WE WILL BE, AND WHAT KIND OF PEOPLE WE ARE.
IT IS ABOUT WHAT IT MEANS TO BE AN AMERICAN, AND WHAT KIND OF COUNTRY WE WILL LEAVE FOR OUR CHILDREN AND OUR GRANDCHILDREN. SOMETIMES I THINK THE DEBATE DOESN'T REALLY ADDRESS THE ISSUES AT ALL.
THERE ARE THOSE WHO THINK THAT GOVERNMENT MUST DO EVERYTHING.
AND THERE ARE THOSE WHO THINK GOVERNMENT MUST DO NOTHING.
AS ALWAYS IN LIFE, THE TRUTH LIES SOMEWHERE IN BETWEEN.
WE KNOW THAT GOVERNMENT CAN'T RAISE A FAMILY, SIT AT THE BEDSIDE OF A SICK FRIEND, BE THERE TO COMFORT US AFTER WE ARE GRIEVING THE LOSS OF A DEAR RELATIVE.
NO ONE EVER SAID GOVERNMENT COULD.
BUT WE ALSO KNOW THAT FAMILIES SOMETIMES NEED A HELPING HAND.
AND THAT THE GREATEST GIFTS WE CAN GIVE OUR FAMILIES ARE THE INSPIRATION AND THE SUPPORT AND THE RESOURCES THAT THEY CAN USE TO MAKE IT ON THEIR OWN.
WE SHOULD NOT BUY IN TO THE FALSE CHOICE BETWEEN BALANCING THE BUDGET AND PROTECTING FAMILIES BECAUSE WE CAN DO BOTH.
THEY ARE BOTH WITHIN OUR MEANS.
BUT WE CAN ONLY DO IT IF WE WORK TOGETHER ACROSS THE LINES OF

POLITICS AND GEOGRAPHY AND
GENERATIONS IN A WAY THAT
PROTECTS THE VALUES AND
PRIORITIES OF THE AMERICAN
PEOPLE.
WHEN IT COMES TO OLDER
AMERICANS, IF WE ASK WHAT IS
THAT LIST OF PRIORITIES, I THINK
THE ANSWER SHOULD BE CLEAR.
OVER THE LAST 60 YEARS, THE
PROMISES OF SOCIAL SECURITY,
MEDICARE, MEDICAID, AND THE
OLDER AMERICANS ACT, HAVE FUNDAMENTALLY TRANSFORMED WHAT
IT MEANS TO GROW OLD IN AMERICA.
THEY ARE A COMPACT BETWEEN OUR GOVERNMENT AND OUR PEOPLE, A
COMPACT BETWEEN GENERATIONS.
AND THEY ARE BUILT ON WHAT IS
REALLY THE PROMISE OF THE
AMERICAN DREAM.
IF YOU WORK HARD AND PLAY BY THE RULES, TAKE RESPONSIBILITY
FOR YOURSELF, THEN YOU WILL HAVE
SECURITY AND PEACE OF MIND
TOMORROW.
WE DO NOT GUARANTEE RESULTS.
BUT WE GUARANTEE SOME SAFETY NET
OF SECURITY FOR THOSE WHO ARE
WILLING TO TAKE THAT
RESPONSIBILITY.
WE CANNOT GO BACK ON THAT
PROMISE.
WE CANNOT GO BACK TO THE DAYS
WHEN OLDER AMERICANS HAD TO
CHOOSE BETWEEN PAYING THEIR
HEATING BILLS AND THEIR DOCTOR'S BILLS.
WE CANNOT GO BACK TO THE DAYS IN
WHICH AMERICANS WHO WERE IN
NURSING HOMES WENT WITHOUT THE
VITAL PROTECTIONS THEY NEEDED
AND DESERVED.
WE CANNOT GO BACK TO THE DAYS
WHEN AMERICANS HAD TO GIVE UP
THEIR INDEPENDENCE IN THEIR
SENIOR YEARS BECAUSE THEY DIDN'T
HAVE THE RESOURCES TO STAY IN
THEIR OWN COMMUNITIES.

AND WE CANNOT GO BACK TO THE
DAYS NOT SO VERY LONG AGO, WHEN
OLDER AMERICANS, AFTER YEARS OF
HARD WORK AND SACRIFICE, WERE
REWARDED WITH LONELINESS,
INADEQUATE HEALTH CARE, AND
POVERTY.
IF YOU LOOK BACK JUST THE 31
YEARS TO THE TIME WHEN MEDICARE
WAS SIGNED, WE KNOW THE
STATISTICS.
HALF OF OLDER AMERICANS HAD NO
HEALTH INSURANCE.
TODAY, OLDER AMERICANS ARE
COVERED THROUGH MEDICARE.
AT THAT TIME, A FULL 30%, NEARLY
ONE IN THREE, OF OUR NATION'S
ELDERLY LIVED IN POVERTY.
TODAY, THAT NUMBER IS DOWN TO
12%.
THAT'S STILL TOO HIGH.
BUT IT SHOWS WE HAVE MADE
PROGRESS.
TODAY, OLDER AMERICANS ARE
LIVING LONGER, LIVING HEALTHIER,
AND LIVING BETTER THAN EVER
BEFORE.
THESE ARE IMPORTANT
ACCOMPLISHMENTS.
BUT THEY ARE NOT ENOUGH.
WE HAVE A LONG WAY TO GO.
AND WE HAVE TO GO THAT WAY
TOGETHER.
THAT'S WHY THE PRESIDENT HAS
TAKEN A LOT OF THE POSITIONS HE
HAS IN THE LAST THREE YEARS.
HE FOUGHT TO MAKE SOCIAL
SECURITY A STRONG, INDEPENDENT
AGENCY, EMPOWERED TO BRING US
INTO THE 21st CENTURY.
HE PROPOSED LEGISLATION TO HELP HARD-WORKING AMERICANS BY
ENSURING THAT THEIR RETIREMENT
SAVINGS STAY WITH THEM WHEN THEY CHANGE JOBS AND ARE THERE
WHEN
THEY NEED THEM WHEN THEY RETIRE. THAT'S WHY, DURING THE

GOVERNMENT SHUTDOWNS, THE
PRESIDENT TOLD THE CONGRESS TO
STOP PLAYING POLITICS WITH
NUTRITION PROGRAMS FOR SENIORS.
AND THAT'S WHY HE APPOINTED THE FIRST-EVER ASSISTANT
SECRETARY
FOR AGING AT THE DEPARTMENT OF
HEALTH AND HUMAN SERVICES.
IT'S ALSO WHY HE'S FIGHTING TO
REFORM MEDICARE AND MEDICAID IN
THE RIGHT WAYS.
BY STRENGTHENING THEM AND
CONTROLLING COSTS.
YOU KNOW, WE CANNOT TURN OUR
BACKS ON THE PEOPLE WHO DEPEND
ON MEDICARE AND MEDICAID.
I HAVE MET PEOPLE.
I HAVE SAT AND TALKED WITH AN 80-YEAR-OLD WOMAN STILL
HEALTHY
ENOUGH TO LIVE ON HER OWN, WHO
LIVES ON $5,000 A YEAR.
I HAVE HELD THE HAND OF A
75-YEAR-OLD MAN WHO HAD TO MAKE
THE TORTUOUS CHOICE OF PUTTING
HIS WIFE WITH ALZHEIMER'S
DISEASE INTO A NURSING HOME,
WHICH HE COULD NOT HAVE AFFORDED WITHOUT MEDICARE AND
MEDICAID.
I HAVE LOOKED INTO THE EYES OF
THE 55-YEAR-OLD MAN WHO HAS LOST
HIS JOB AND HIS HEALTH INSURANCE
AND IS NOT ELIGIBLE FOR EITHER MEDICARE OR MEDICAID, WHO FOR
THE FIRST TIME IN HIS LIFE FINDS HIMSELF FACING SERIOUS
ILLNESS
AND DOES NOT KNOW WHERE TO TURN.
I HAVE TALKED WITH A 64-YEAR-OLD
WOMAN WHO WAS DIAGNOSED WITH
BREAST CANCER, BUT WHO DID NOT
HAVE PRIVATE INSURANCE AND SO
WAS WAITING TILL SHE WAS
ELIGIBLE FOR MEDICARE BEFORE SHE
COULD TAKE CARE OF HER DISEASE.
THESE ARE NOT JUST STATISTICS
AND PROGRAMS TO ME.
THEY ARE FACES AND STORIES OF

LIVING PEOPLE.
THAT'S WHY IT IS SO IMPORTANT
THAT WHEN THE PRESIDENT HAS
OFFERED HIS ALTERNATIVES, THEY
ARE BALANCED, TOUGH-MINDED AND COMMONSENSE, BUT ALSO
COMPASSIONATE.
HE KNOWS THAT MEDICARE HAS
LIFTED MANY SENIORS OUT OF
POVERTY, AND HAS PROVIDED
HIGH-QUALITY HEALTH CARE AND
PEACE OF MIND FOR MANY OTHERS.
WE HAVE CRACKED DOWN ON FRAUD
AND ABUSE.
SOME OF YOU MAY REMEMBER AT THE
WHITE HOUSE CONFERENCE ON AGING,
THE PRESIDENT ANNOUNCED THE
CREATION OF SOMETHING CALLED "OPERATION RESTORE TRUST."
IN JUST 12 MONTHS, SPENDING ONLY
$4 MILLION, THE ADMINISTRATION
HAS SAVED MORE THAN $42 MILLION
BY GOING AFTER THOSE WHO ABUSE
THE MEDICARE AND MEDICAID
SYSTEMS.
STOPPING THE OVERBILLING AND THE DOUBLE BILLING THAT
UNDERMINES
THE SOLIDITY OF THOSE SYSTEMS.
THE PRESIDENT HAS ALSO
RECOMMENDED THAT THE BEST THING
WE CAN DO TO EASE THE PAIN OF
ILLNESS IS TO PREVENT IT BEFORE
IT OCCURS, OR TO TRY TO LIMIT
ITS EFFECT.
THAT IS VERY CLEARLY WHY WE DO
THINGS LIKE FLU SHOTS AND
MAMMOGRAPHY.
AN OUNCE OF PREVENTION REALLY IS
WORTH ITS WEIGHT IN GOLD IN
TERMS OF SAVING BOTH LIVES AND RESOURCES.
AND I WAS VERY PLEASED AND PROUD
OF MY HUSBAND WHEN, IN HIS
BUDGET, HE SAID THAT WE SHOULD
PROVIDE MAMMOGRAPHY TO OLDER
WOMEN IN THIS COUNTRY EVERY
SINGLE YEAR.
WE CAN AFFORD IT.

IT WOULD SAVE LIVES.
AND IF THE PRESIDENT HAS HIS
WAY, IT WILL BE AVAILABLE.
I HOPE THAT AS THIS DEBATE GOES
ON, WE WILL MAKE THE RIGHT
CHOICES ABOUT WHAT TO DO WITH
MEDICARE AND MEDICAID.
THE PRESIDENT HAS STUDIED THIS
EVER SINCE HE WAS A GOVERNOR.
AND HE KNOWS THAT IT WILL TAKE TOUGH-MINDED, BUT FAIR,
DECISIONS TO REDUCE THE RATE IN
THE GROWTH OF MEDICARE AND TO
EXTEND THE SOLVENCY OF THE TRUST
FUND.
BUT THAT DOES NOT INCLUDE
INCREASING PREMIUMS FOR OLDER AMERICANS BEYOND 25% OF COSTS.
IT DOES INCLUDE PROTECTING
LOW-INCOME SENIORS FROM ANY
PREMIUM HIKES THROUGH MEDICAID.
IT INCLUDES CONTINUING THE
STRONG EFFORTS ON ANTI-FRAUD AND ABUSE.
AND WAIVING THE COPAYMENT FOR MAMMOGRAPHY AND COVERING WOMEN
EVERY YEAR.
AND PROVIDING EXTENDED HEALTH
OPTIONS THROUGH DIFFERENT PLANS
AT THE CHOICE OF THE SENIOR, NOT THROUGH SOMEONE ELSE'S
DECISION.
TODAY WE RELY ON MEDICARE AND MEDICAID, AND MANY PEOPLE
SOMETIMES CONFUSE THE TWO
PROGRAMS, DON'T THEY?
I HAVE CONVERSATIONS, AND PEOPLE AREN'T QUITE SURE WHICH IS
WHICH.
I HOPE WE REMIND PEOPLE THAT
UNDER MEDICAID, WE ARE PROVIDING HEALTH CARE TO 37 MILLION
AMERICAN WOMEN, CHILDREN, OLDER AMERICANS, AND PEOPLE LIVING
WITH DISABILITIES.
TWO-THIRDS OF ALL THE MONEY
SPENT ON MEDICAID GOES TO THE
ELDERLY AND DISABLED.
IT IS THE NUMBER ONE PAYER OF
NURSING HOME CARE IN THIS
COUNTRY.
AND IT PROVIDES VITAL HOME AND COMMUNITY-BASED CARE THAT
ALLOWS
OLDER AMERICANS TO LIVE THEIR

LIVES WITH DIGNITY AND
INDEPENDENCE.
THESE ARE ALL DECISIONS THAT WE
WILL BE CONFRONTING IN THE NEXT MONTHS.
AND I TRUST THAT THOSE DECISIONS
WILL BE MADE IN THE RIGHT WAY,
IN A CALM WAY, REMOVED FROM THE RHETORIC OF POLITICS AND
IDEOLOGY.
BECAUSE WHEN IT COMES TO
REFORMING MEDICAID OR MEDICARE
OR REAUTHORIZING THE OLDER
AMERICAN ACT OR MAKING SURE THAT
WE'VE GOT OMBUDSMEN
AVAILABLE UNDER THE TITLE FIVE
OLDER WORKERS PROGRAM, THOSE IN
AND OF THEMSELVES ARE NOT
IMPORTANT JUST BECAUSE OF WHAT
THEY DO, BUT BECAUSE OF WHAT
THEY SYMBOLIZE.
THEY SYMBOLIZE THIS GENERATIONAL COMPACT THAT I TALKED ABOUT
EARLIER.
YOU KNOW, WHEN I AM PRIVILEGED
TO TRAVEL AROUND THE WORLD ON
YOUR BEHALF AND AT THE
PRESIDENT'S REQUEST, I ALWAYS
COME HOME OVERWHELMED BY THE
BLESSINGS WE HAVE HERE, AND
SOMETIMES A LITTLE FRUSTRATED
THAT WE SEEM TO TAKE THEM FOR
GRANTED.
I HAVE BEEN IN SO MANY COUNTRIES
AS THOSE OF YOU WHO HAVE
TRAVELED KNOW SO WELL, WHO HAVE
NOT HAD THE KIND OF
OPPORTUNITIES THAT WE HAVE BUILT
UP THROUGH OUR YEARS AND YEARS
OF DEMOCRACY, WORKING TO PROVIDE
THE AMERICAN DREAM TO AS MANY
CITIZENS WHO WOULD SEIZE THE
CHANCE.
IT IS SOMETHING THAT I WISH, IN
THE NEXT MONTHS, ALL AMERICANS
WOULD CONSIDER.
WE SHOULD BE SO PROUD OF WHAT WE
HAVE DONE TOGETHER.

WE SHOULD BE SINGING THE PRAISES
OF THIS GREAT EXPERIMENT CALLED AMERICA.
DO WE HAVE PROBLEMS?
DO WE HAVE FLAWS?
OF COURSE WE DO.
WE ARE HUMAN BEINGS.
DO WE HAVE DISAGREEMENTS?
YES.
THAT'S HEALTHY.
THAT'S PART OF THE DEMOCRATIC EXPERIENCE.
BUT LOOK AT WHAT WE HAVE
ACCOMPLISHED TOGETHER.
WHEN I WAS RECENTLY IN BOSNIA
WITH MY DAUGHTER, I FELT LIKE I
SAW FIRSTHAND WHAT I WISHED
EVERY AMERICAN COULD SEE SO THAT
THEY, TOO, WOULD SHARE MY
FEELING OF GRATITUDE.
I SPENT A FEW HOURS TALKING WITH CIVILIANS WHO HAD SURVIVED
THE
FOUR YEARS OF ETHNIC CLEANSING
AND RAPE AND OTHER HORRIBLE,
HORRIBLE VIOLENCE.
AND WHAT THEY SAID TO ME WAS
THAT THEY WANTED A CHANCE TO
LEAD THEIR LIVES WITH SOME
NORMALCY.
JUST TO BE ABLE TO GET UP IN THE MORNING AND GO ABOUT THEIR
DAY
WITHOUT FEAR.
TO GO VISIT A NEIGHBOR OR SEE
THEIR GRANDCHILD.
I TALKED WITH DOCTORS AND NURSES
WHO HAD KEPT HOSPITAL FACILITIES
GOING UNDER BOMBARDMENT.
I MET WITH WIVES WHO HADN'T SEEN
THEIR HUSBANDS IN YEARS.
AND CHILDREN WHO DIDN'T KNOW
WHERE THEIR PARENTS HAD BEEN
TAKEN.
TO ME, IT WAS SUCH AN EXAMPLE OF
WHAT CAN GO WRONG WHEN PEOPLE
SPEND THEIR TIME FIGURING OUT
HOW TO MAKE EACH OTHER AFRAID
INSTEAD OF FILLED WITH HOPE.

WHO TRY TO DRIVE DIVISIONS
BETWEEN PEOPLE INSTEAD OF
BRINGING THEM TOGETHER TO SOLVE
THE COMMON PROBLEMS WE FACE.
AND THEN I WENT OUT TO SEE OUR SOLDIERS, AND I WISH EVERY ONE
OF YOU COULD HAVE BEEN WITH ME
TO FEEL THE PRIDE THAT I DID.
IN TUZLA AND CAMP BEDROCK, I SAW
THE FACES OF AMERICA.
I SAW MEN AND WOMEN, BLACK AND
BROWN AND WHITE, CHRISTIAN, JEW, MUSLIM, KIDS FROM THE COUNTRY,
THE CITY, THE SUBURBS, ALL OF
THEM REPRESENTING US SO WELL.
AND I WAS TALKING TO A GROUP OF
THEM, AND THEY SAID, YOU KNOW,
WE REALLY ARE MAKING A
DIFFERENCE.
WE'VE SEPARATED THESE PEOPLE.
WE'VE AT LEAST GIVEN THEM A
CHANCE TO MAKE PEACE.
AND THAT MADE THEM FEEL GOOD.
NOWHERE, NOWHERE IN THE WORLD IS
THERE AN EXAMPLE OF WHAT IT
MEANS TO WORK TOGETHER AS IT WAS
THERE IN THOSE FIELDS OF BOSNIA.
AND I WISH I COULD BRING THAT
FEELING HOME.
YES, WE HAVE DIFFERENCES.
THERE MAY BE A COUPLE OF WAYS TO REFORM MEDICARE, FOR EXAMPLE.
BUT LET'S APPROACH THOSE WITH
THAT SPIRIT OF AMERICAN
CONFIDENCE, WITH THE EXAMPLE WE
GIVE TO THE REST OF THE WORLD,
WITH THE VALUE WE PLACE ON THE INDIVIDUAL AND THE HOPE WE HAVE
FOR OUR FUTURES.
BECAUSE IF WE DO THAT, I HAVE NO
DOUBT THAT THE NEXT CENTURY WILL
BE ANOTHER ONE OF LEADERSHIP FOR
OUR COUNTRY.
IT CANNOT BE DONE ALONE BY
GOVERNMENT.

EACH OF US HAS A ROLE.
IN MY BOOK WHICH I WROTE ABOUT CHILDREN, I TALK ABOUT HOW IT TAKES A VILLAGE TO RAISE A
CHILD.
IT TAKES A VILLAGE TO SUPPORT A
FAMILY WITH ALZHEIMER'S.
IT TAKES A VILLAGE TO COMFORT A
FAMILY THAT HAS A VERY SICK OR
DYING RELATIVE.
IT TAKES ALL OF US WORKING
TOGETHER.
AND IF IT DOES TAKE US WORKING TOGETHER, THEN ALL OF YOU WITH
YOUR EXPERIENCE, YOUR WISDOM,
YOUR INSIGHT, MUST BE ON THE
FRONT LINES OF THOSE EFFORTS FOR
US TO SUCCEED.
WE HAVE TO UNDERSTAND WE ARE ALL
IN THIS TOGETHER.
AND IF WE DO THAT, THEN THE
FUTURES OF ALL THE CHILDREN I
JUST LEFT WILL BE ONES THAT ARE
BRIGHT AND OPTIMISTIC.
AND THE LIVES OF ALL AMERICANS, ESPECIALLY THOSE IN THEIR LAST
YEARS, WILL BE ONES OF
DIGNITY AND RESPECT.
THAT'S THE KIND OF AMERICA I SEE
WHEN I TRAVEL.
THAT'S THE KIND OF AMERICA I
KNOW WE ARE CAPABLE OF ALWAYS
BEING.
AND IF YOU, TOO, AGREE THERE IS
NO PROBLEM THAT AMERICA HAS THAT CANNOT BE SOLVED BY WHAT IS RIGHT WITH AMERICA, THEN I HOPE
YOU WILL LEND YOUR VOICES TO
THAT POSITIVE VISION OF WHAT
THIS COUNTRY IS.
THANK YOU ALL VERY MUCH.

FIRST LADY HILLARY RODHAM CLINTON
AARP BIENNIAL CONVENTION
DENVER, COLORADO
MAY 22, 1996

[Acknowledgments: Horace Deets, Executive Director, AARP; Margaret Dixon, Incoming President, AARP; Eugene (Gene) Lehrmann, outgoing President, AARP (introduces you)]

What a pleasure it is to speak to people who -- time and again through words and deeds -- have fought to give older Americans the health security and independence they deserve. Whether you are standing up and speaking out or giving something back to your communities, you are providing the glue to help keep our families together and strong. And, I am particularly honored to join you this month as we celebrate both Older Americans Month and Mother's Day.

I'll never forget one Mother's Day, when Chelsea was about four years old. We were at church in Little Rock. During the children's sermon, the minister summoned all the kids up to the front of the church and asked them one by one: "If you could give your mommy anything in the world today, what would it be?" When it was Chelsea's turn, she answered without hesitation, "Life insurance." I asked her later what she meant: It turned out she had heard someone talking about life insurance and thought it meant that you could live forever.

Actually, just before coming here, Governor Romer and I had the great honor of participating in a conference to talk about what's working for our children. All the experts were there. Not the pollsters and the pundits. But the real experts -- the parents, educators, religious leaders, business leaders, and health care providers -- and of course, children themselves. The caring adults who brush off the scraped knees and the bruised spirits and help give our children the tools they need to reach their God-given potential.

There are a lot of people who talk the talk of family values. But, we must do much more than just talk about family values. We must act in ways that value families. From infants to parents, and from grandparents to great-grandparents, we must preserve the family compact that links one generation to the next -- and carries us as one nation into the future.

As a young boy, my husband was raised by loving grandparents who taught him about hardwork and determination -- the keys that unlock the American Dream. Today, 3.4 million children live in a household headed by a grandparent. This is a tough time to be a child in America -- and it's even a tougher time to raise one. That's why I want to commend the AARP for creating the nation's

first large-scale Grandparent Resource Center -- so that grandparents who are taking on this tremendous responsibility -- again! -- have the support they need.

Right now, there's a debate going on in Washington about the role of government. But, at its heart, it's actually about much more than that. It's about our nation's soul and character. It's about what it means to be an American. And, as we approach the 21st century, it's about what kind of country we will leave for our children and grandchildren.

There are those who think that government must do it all -- and there are others who think government should do nothing at all. As always, the truth lies somewhere in between. We know that government can't raise a family -- who ever said it could? But, we also know that families sometimes need a helping hand. We know that the greatest gifts we can give our families are the inspiration and support they need to make it on their own.

We shouldn't ever buy into the false choice between balancing the budget and protecting families -- because we can do both. But, we can only do it if we work together across the lines of politics and geography and generations in a way that protects the values and priorities of the American people.

What are our priorities? Over the last 60 years, the promises of Social Security, Medicare, Medicaid, and the Older Americans Act have fundamentally transformed what it means to grow old in America. They are a compact between our government and our people. They are a compact between generations. And, they are built on the American promise: If you work hard and play by the rules today you will have security and peace of mind tomorrow. We can't go back on that promise.

We cannot go back to the days when older Americans had to choose between paying their heating bills and their doctors' bills. We cannot go back to the days when Americans in nursing homes went without the vital protections they need and deserve. We cannot go back to the days when Americans had to give up their independence in their senior years because they didn't have the resources they needed to stay in their own communities. And, we cannot go back to the days -- not so very long ago -- when older Americans after years of hard work and sacrifice were rewarded with loneliness, inadequate health care, and poverty.

As President Johnson said when he signed the Medicare bill 30 years ago, "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...country."

At that time, half of all older Americans had no health

insurance. Today, almost 100 percent are covered through Medicare. At that time, a full 30 percent of our nation's elderly lived in poverty. Today, that number stands at 12 percent. Today, older Americans are living longer, living healthier and living better than ever before. [By the year 2025, the number of people over the age of 85 is going to double, and the number of people 65 and older will go from 33 million to over 53 million.] Are these important accomplishments? Absolutely. But, are they enough? No, we still have a long way to go. And, the President believes we must move forward -- together.

That's why he fought to make Social Security a strong, independent agency -- empowered to bring us into the 21st century.

That's why the President proposed legislation to help hard-working Americans by ensuring that their retirement savings stay with them when they change jobs -- and are there for them when they retire.

That's why, during the Government shutdown, he told the Congress to stop playing politics with nutrition programs for seniors.

That's why he appointed the first ever Assistant Secretary for Aging at the Department of Health and Human Services.

And, that's why he's fighting to reform our health programs the right way -- by strengthening them and controlling costs -- without turning our backs on the citizens who depend upon them. For the citizen in a nursing home, for the older American covered by Medicare, and for the 55 year-old scared to leave his job because he has a pre-existing medical condition, there is no security without health security.

That's why the President has offered balanced, tough-minded, commonsense reform. He knows that Medicare has helped lift our seniors out of poverty. He knows that it has provided high-quality health care and long-term peace of mind of all Americans. And, he has made a commitment to preserve, protect, and defend Medicare -- for this generation and for every generation to come.

To help do that, his Administration has taken major steps to crack down on health care fraud and abuse. Last year, at the White House Conference on Aging, the President announced the creation of Operation Restore Trust -- an initiative that focused our efforts in five key states. In just 12 months, with the expenditure of only $4 million, we have saved more than $42 million for American taxpayers -- that's $10 saved for every $1 spent.

Operation Restore Trust works. And, now, it's time to expand it into every state in America -- so that we can stop the overbilling and double billing that undermines our health care system and robs our citizens.

The President also understands that the best thing we can do to ease the pain of illness is to prevent it -- before it occurs. Nowhere is that more clear than with flu shots and mammography -- two cases where an ounce of prevention is worth its weight in gold -- saving precious lives and precious resources.

But, it's not always enough just to provide a service like mammography. We need to ensure that people know about it -- and have access to it. In 1991, Medicare started covering the cost of mammograms every two years for women 65 and older -- yet only 37 percent of Medicare recipients take advantage of this benefit. This is tragic, given the epidemic of breast cancer now afflicting American women and their families. That's why last May, we launched an awareness campaign aimed at women 65 and older -- to give them and their health care providers the information they need to protect their health and maybe even their lives.

Because the success of our health care programs must be measured by the health and satisfaction of those who rely upon them, the Administration has worked tirelessly to make Medicare customer friendly: Cutting red tape, upgrading the data system, and waving good-bye to the days when Medicare recipients had to wade through dozens of forms and mailings.

And, as the President works to balance the budget by the year 2002, he is making it very clear that there is a right way and a wrong way to reform Medicare and Medicaid.

His plan is the right way. It makes sound, rational and reasonable reductions in the rate of Medicare growth -- and extends the solvency of the Trust Fund for about a decade. It does not increase premiums for older Americans beyond 25 percent of costs -- and it protects low-income seniors from any premium hikes through Medicaid. It continues to strengthen anti-fraud and abuse activities. It waives the copayment for mammography -- and provides coverage <u>every</u> year for women 65 and older. And, it expands health care options for older Americans -- without opening the door to risky plans like Medical Savings Accounts that attract only on the healthiest and wealthiest, leaving others in more expensive traditional health plans.

Today, we rely upon the other pillar of our health care system -- Medicaid -- to provide health and hope to 37 million American women, children, older Americans, and people living with disabilities. Two-thirds of all the money we spend on Medicaid

goes to the elderly and disabled. It is the number one payer of nursing home care in this country -- and we must maintain federal quality standards and enforcement to protect our nursing home residents. And Medicaid provides vital home and community-based care that allows older Americans to live their lives with dignity and independence.

The President believes that we can provide flexibility to the states without undermining Medicaid's historic guarantee of health care for our most vulnerable Americans. His Medicaid reform proposal does just that. And that's why it has earned the support of consumers and aging advocates throughout our nation.

In 1996, health care is about much more than what happens in the doctor's office or the nursing home. It's about finding ways to provide quality, affordable long-term care in our own homes. It's about unlocking the scientific mysteries behind tragedies like Alzheimer's disease, heart disease, cancer, and stroke. It's about stopping the tragedy of elder abuse and violence that plagues too many of our citizens and neighborhoods.

And, it's about re-authorizing the Older Americans Act -- so that seniors can receive the nutrition, transportation and other lifelines they need to stay independent, stay healthy, and grow old the way we all want to grow old -- with dignity. I want you to know that the President has been fighting hard to re-authorize the Older Americans Act and protect its vital services -- from the ombudsman to the Title V Older Workers Program that, with your leadership, is helping seniors begin new jobs and endeavors all across America.

We also need to keep trying to reform our health insurance system -- so that it's there for us when we need it the most. We need to pass the Kassebaum-Kennedy bill and wave goodbye to the days when insurance companies can deny you coverage because you changed jobs or lost your job or had a pre-existing condition.

But, as you know, government will never meet these or any other challenges alone. It's going to take each and every one of us. Quite frankly, it's going to take the people who built this country, and those who will inherit it, standing together as we have always done in America to create strong families and strong communities for the 21st century.

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THE REPUBLICAN BILL STILL FAILS TO MEET THE PRESIDENT'S BASIC PRINCIPLES FOR MEDICAID REFORM

The Republican bill still fails to meet many of the President's basic principles for Medicaid reform.

These principles include:

- A real, enforceable guarantee of coverage for a defined benefit package
- Appropriate federal and state financing
- Beneficiary protections through quality standards and accountability

THE REAL GUARANTEE OF COVERAGE

Any "guarantee" of Medicaid coverage has three critical components: 1) eligibility, 2) benefits, and 3) enforcement. Without any one of these necessary elements, there is no true guarantee of coverage. The Republican bill has significant problems in all three areas of the coverage guarantee.

Eligibility

While the Administration proposal maintains all current law mandatory and optional eligibility groups, the House Commerce Republican bill would alter eligibility criteria thereby eliminating the guarantee of coverage for some groups. The bill:

- **repeals the phase-in of Medicaid coverage for children ages 13-18 in families with income below the Federal poverty level.**

- **offers each state the option of using either: 1)the federal definition of disability, or 2) its own definition of disability.** This could result in fifty separate state definitions, instead of current policy, which has only one. State definitions of disability could eliminate coverage for disabled people who have more specific and complicated needs for Medicaid; or states could redefine disability to shift costs to the federal government.

- **permits additional eligibility limitations based on age, residence, and employment or immigration status.**

- **eliminates the guarantee of medical assistance for individuals losing cash assistance due to time limits or other provisions in welfare reform.**

- **lets states define what constitutes income and resources.** If income and resource tests are more restrictive than current law, then a large number of current beneficiaries could lose their eligibility for Medicaid. For example, it appears states may even have flexibility to restrict eligibility based on home ownership. Under current law, a home of any value does not affect a person's eligibility. Under the Republican bill, home owners could be found ineligible.

Benefits

While the Administration proposal would maintain all current law mandatory and optional services, the Republican bill could lead to drastically scaled-back and inadequate benefits packages.

- **The bill gives states complete flexibility to define the adequacy of required benefits (the "amount, duration, and scope" of benefits).** The Secretary does not have clear authority to affect states' decisions regarding amount, duration, and scope. As a result, states could restrict benefits drastically, thereby further undermining the guarantee to coverage.

- **Statewideness requirements would be eliminated.** States could arbitrarily offer different coverage and benefits packages in different parts of the state. This could also result in loss of coverage for certain populations that tend to live in specific areas.

- **Comparability requirements would be eliminated.** States could reduce benefits for certain populations (such as HIV positive beneficiaries).

- **"Treatment" under EPSDT is severely curtailed and requires treatment only for dental, hearing and vision services.** Treatment is not required for other services, illnesses or conditions discovered by health screens and exams. This means that children diagnosed with certain medical conditions may go untreated. Under current law, children diagnosed (in an EPSDT screening) with medical conditions must be treated.

- **Federally Qualified Health Center (FQHC) and Rural Health Clinic (RHC) services are mandatory services only for the first eight quarters after the program is enacted in a state.** After that time, they are optional services. (Note that in the Spring overview document, they are listed as guaranteed services.)

- **The Vaccines for Children Program is repealed,** and states are given flexibility to set their own vaccination schedules. Elimination of VFC funding will mean fewer vaccinations.

- **Federal funding for abortion services is limited to instances of rape, incest, or where the life of the mother is in jeopardy.**

- **Family planning services are limited to "pre-pregnancy" family planning services only.** States would be able to restrict which family planning methods would be available.

Enforcement

A real guarantee of health coverage must include an adequate enforcement mechanism. The Administration proposal maintains the right of beneficiaries to enforce their federal program benefits in federal courts, assuring that Medicaid recipients have the same due process rights everywhere in the United States. However, the Republican bill has serious weaknesses when it comes to enforcing the rights of Medicaid beneficiaries.

- **The Republican bill removes the right of beneficiaries to sue in federal courts.** No federal right of action means there are no guaranteed enforceable federal benefits for individuals.

- Without federal court rulings, Medicaid law may not have consistent interpretations across the nation.

- Medicaid would become the sole federal statute conferring benefits on individuals with no possibility of federal enforcement for its intended beneficiaries.

FINANCING

The Administration proposal protects States from enrollment increases due to economic downturns, and from demographic changes by maintaining the shared federal-state financial responsibility through a per capita cap. The Republican bill does not guarantee funding for all new enrollees.

The funding formula in the Republican bill has been seen before: it's the basic Medigrant II. It's a funding stream and allocation across states with essentially the same component parts defined by the same formulas and legislative language in earlier Republican bills. Now the block grant is embellished by a limited umbrella fund. About 97% of funds flow through the Medigrant II block grant. About 3 percent is attributable to the new umbrella fund.

The funding provides very limited risk protection for enrollment growth.

- **Funding growth is not linked to comparisons between actual and projected enrollment, and the umbrella provides one time only adjustments that do not carry forward to subsequent years.** This is not the kind of protection to be expected from a true federal-state partnership. Instead, like earlier Republican plans, it limits federal responsibility and shifts the fiscal burden to the states. The calculations associated with access to the umbrella mechanism limit access to the fund and treat states unevenly.

Not all groups trigger Umbrella

- **The Republican funding scheme clearly restructures the dynamics of the Medicaid program.** States will always be faced with poor and sick populations. Without a guarantee of federal funding to support meeting the needs of those populations, it will be left to the states to balance revenue against societal needs--they will be forced either to raise taxes or reduce services. These dynamics clearly undermine the concept of "guaranteed" coverage of defined populations with a meaningful benefit package.

- **The Republican bill would repeal the limitations placed on provider taxes and donations schemes.** When states had unlimited use of such financing mechanisms in the late 1980's and early 1990's, Medicaid spending growth reached almost 30 percent annually. Once bipartisan legislation limited these schemes, Medicaid spending growth fell substantially -- to about 10 percent a year.

- **The Republican bill would change the minimum Federal Matching Assistance Percentage (FMAP) from 50 percent to 60 percent.** This change would allow many states to significantly decrease the state contribution and increase federal dollars spent on Medicaid. Given the block grant structure of the financing proposal, this change would shift funding from poorer states with higher current FMAPs to the 23 wealthier states that currently have 50 percent FMAPs.

PROTECTIONS FOR BENEFICIARIES AND TAXPAYERS

The Administration proposal maintains a variety of current law quality protections including managed care plans, and also contains financial protections for the family members of nursing home residents.

The Republican bill would either eliminate or reduce at least the following long-standing provisions that ensure quality and protect the family members of beneficiaries.

- **The bill repeals title XIX and replaces it with a new title.** This change seriously compromises the existing framework of quality standards, beneficiary and family financial protections, and program accountability by eliminating numerous provisions that protect beneficiaries, providers, and states.

- **The Republican bill does not include critical federal quality standards for institutions caring for people with mental retardation and developmental disabilities.** There are no federal standards to assure basic rights, such as protection from abuse and neglect, treatment designed to assist the person in achieving the greatest level of independence, and the right to adequate health care.

Leave current law nursing home quality stds.

- **There is no mention of quality standards for managed care plans.** Given that almost one-third of Medicaid beneficiaries are now in managed care, managed care quality provisions are essential to protect the health of millions of people.

- **The Republican bill contains no standards for cost sharing other than some limits related to primary and preventive care for children and pregnant women.** Beneficiaries and their families who are protected by current law against excessive cost sharing could face new obligations to pay for their care or that of a family member. Without cost sharing standards, benefit packages could be essentially meaningless for other services for children and pregnant women, and for all services for the elderly and disabled.

- **Under the Republican bill, adult children could be required to pay for hospital care, physicians services, or any other service (except long term care) for their parents on Medicaid.**

- **The prohibition in current law against balance billing by providers for amounts above the Medicaid rate would be repealed for most services.** Although the Republican bill retains a nominal prohibition on balance billing by nursing homes, this could be easily circumvented by redefining what is covered as "nursing home services." Because states have complete flexibility to define benefit levels (amount, duration, and scope), elements of care now in the basic benefit, the cost of which is in the basic rate and not subject to balance billing, could become the responsibility of the patient.

- **The Republican bill would allow states to review asset transfers as far back as they would like in determining eligibility for Medicaid.** Currently, the look back period is 36 months. In addition, states could broaden the scope of the penalty (now limited to denial of certain long term care benefits) to any or all benefits. Implementation of such an approach could seriously limit eligibility for Medicaid, even in those instances where assets were transferred years in advance of application for Medicaid, or were not transferred for the purpose of gaining eligibility.

- **The bill replaces current law with complete flexibility regarding recoveries from estates of deceased beneficiaries.** Assets, including the home, needed by survivors could be at risk of being claimed by the state.

- **Under the Republican bill, states would have both a financial incentive and the opportunity to receive federal matching payments for the costs of services that are currently supported with state funds only (e.g., state psychiatric hospitals).** This cost shift is possible because states would have flexibility in defining eligibility (e.g., for the disabled), and benefit levels (amount, duration, and scope), and the elimination of the IMD exclusion.

ELIGIBILITY OF CHILDREN

Summary: The 5/21 Republican bill would stop the phase-in of coverage for "Waxman kids" at its 1996 level, which is age 12.

- **"Waxman kids" -- children between ages 13 and 18 in families with incomes below 100% of poverty will not be guaranteed eligibility for Medicaid coverage under the Republican bill.**

- **In addition, children who are now covered would lose Medicaid eligibility once they turn 13 unless States decide to cover this population as an optional group.**

Current Law

In 1990, Congress expanded Medicaid eligibility for children under 100 percent of the federal poverty line. All children born after September 30, 1983 would have Medicaid coverage phased-in year by year, so that by 2002 all poor children under the age 19 would be eligible for Medicaid coverage.

In 1996, low-income children age 12 were phased-in for Medicaid coverage.

5/21 Republican Proposal

Guaranteed Medicaid eligibility for children ages 13-18 with family incomes below 100% FPL is eliminated. States will not be required to provide Medicaid coverage to this population. States could chose to cover these children as an optional eligibility group.

If the Republican proposal is enacted up to 2.5 million children ages 13-18 will lose the guarantee of Medicaid eligibility and perhaps their coverage, depending on state decisions.

Covering Children is a Wise Investment

Medicaid coverage for 13 to 18 year olds is important to ensure that this population carries its good health status into adulthood. Medicaid services for this population are predominately preventive health services provided through the Early and Periodic Screening, Diagnostic, and Treatment program (EPSDT) under Medicaid. Periodic health exams and screens under EPSDT assist in the early detection and treatment of disease.

Medicaid expenditures for periodic screening and diagnosis of this population are small in comparison to service expenditures for other Medicaid populations -- however, they are an investment in the health of this population as they enter adulthood.

To protect the health of poor children, the phase-in of coverage should be maintained.

POTENTIAL ELIGIBILITY REDUCTIONS UNDER MAY 21 REPUBLICAN BILL

Summary: The 5/21 Republican bill eliminates guaranteed eligibility for two major categories of individuals who currently are guaranteed coverage:

- **children over 12 who would have their mandatory eligibility gradually phased in, and**
- **individuals with disabilities under current law SSI definitions of "disability."**

As a result of these provisions:

- **1.5 to 2.5 million children over 12 who would be covered by Medicaid could lose guaranteed eligibility by 2002; and**
- **7.8 million individuals with disabilities who will be covered by Medicaid could lose guaranteed eligibility by 2002.**

The 5/21 Republican bill Compared to Current Law

The 5/21 Republican bill continues the mandatory eligibility for the following groups:

- poor pregnant women and children through age 12 under current law,
- elderly recipients of SSI, and
- adults and children receiving AFDC (in its revised format).

However, the 5/21 Republican bill eliminates mandatory eligibility for two major categories:

- children over 12 who would have their mandatory eligibility gradually phased in, and
- individuals with disabilities under current law SSI definitions of "disability."

Potential Eligibility Reductions Among Children:

o 1.5 to 2.5 million children over 12 who would be covered by Medicaid would lose guaranteed eligibility by 2002.

Under current Medicaid law, children under 19 born after 9/30/83 with income below 100 percent of poverty are eligible for Medicaid as a mandatory group. As a result, all children through age 12 (under age 13) are currently guaranteed coverage. Each year an additional age group of children is added, so that by 9/30/2001 all children through age 18 (up to age 19) would be guaranteed coverage. By 2002, HCFA estimates that there will be 1.5 million children added due to this provision. In addition, approximately 1 million children age 13 to 19 are currently covered in optional eligibility categories. All of these children would be guaranteed covered as this provision is phased in by 2002.

The 5/21 Republican proposal would only provide mandatory eligibility to children through age

12. Thus, States would have the option to cover the 1.5 million older children added by the phased in guarantee, but that coverage would no longer become mandatory.

In addition, one million children who are estimated to be covered by Medicaid on the basis of optional eligibility rules would remain optional, and would not become eligible based on the mandatory eligibility rules. These HCFA estimates are based on projected enrollment for all children age 13 to 18 less those that are covered based on current welfare rules. The 1.5 to 2.5 million children who would lose their eligibility guarantee by 2002, would not necessarily loss their Medicaid coverage. Coverage loss would depend on state decisions.

Note: Children's Defense Fund estimates based on an analysis of Census data that there would 3 million children who would lose this guarantee. This estimate included poor children who are uninsured and insured privately.

Potential Eligibility Reductions Among the Disabled:

- 7.8 million individuals with disabilities who will be covered by Medicaid would lose guaranteed eligibility by 2002.

Under current Medicaid law, children and adults, who are determined by SSA to be disabled and whose income qualifies them for SSI, are eligible for Medicaid as a mandatory group. All of these individuals are guaranteed eligibility to Medicaid by this provision. HCFA estimates that 7.8 million individuals with disabilities will be covered by Medicaid based on receiving SSI.

The 5/21 Republican bill would allow the states to determine the definition of disability. Thus, all of the 7.8 million people with disabilities would loss their guarantee to Medicaid eligibility, but, depending on state actions, they may or may not loss their Medicaid coverage.

MEDICAID AND CHILDREN

Summary: Medicaid is a critical source of health insurance coverage for children. Approximately 18 million Americans under age 21, including between a third and a half of all babies under 1 year old, are covered under Medicaid. Medicaid is also the primary source of payment for medical services for children with disabilities.

The 5/21 Republican bill restricts the guarantee of coverage and benefits for millions of current and future Medicaid eligible children.

5/21 Republican Bill

Under the 5/21 Republican bill, millions of children will lose their federal guarantee of Medicaid eligibility. Under current law, Medicaid coverage of children ages 13-18 is being phased in -- by year 2002 all children ages 13 to 18 under 100% FPL will receive Medicaid.
The 5/21 Republican bill eliminates this guaranteed coverage. This change in Medicaid eligibility could affect up to 2.5 million children.

Those who do remain eligible will still lose the following guarantees which exists under current law:

- the guarantee that states will not discriminate in the amount, duration, and scope of services which they provide based on individuals' eligibility groups or diagnoses;
- the right to enforce in federal courts over state benefit and eligibility decisions;
- the guarantee that they will receive all medically necessary services to treat their diagnosed health problems.

Background

- Forty- nine percent of Medicaid beneficiaries (approx. 18 million) are low-income children under age 21.
  - Medicaid pays for about one-third of all births in the United States each year.
  - Between one-third to one-half of all babies under 1 year old and one-third of children ages 1 to 5 receive Medicaid.

Eligibility

- Under current Medicaid law, children under 19 born after 9/30/83 with income below 100 percent of poverty are being phased in for Medicaid coverage as a mandatory group.

- The 5/21 Republican bill language proposal would only provide mandatory eligibility to children up to age 13 (through age 12).
  - States would have the option to cover children over ages 13-18, but that coverage would no longer be mandatory.
  - HCFA estimates based on projected enrollment that 2.5 million children would lose their eligibility guarantee by 2002, but depending on State actions, not necessarily their coverage

Services

- Complete state flexibility with respect to the determination of amount, duration, and scope of services provides no protection against beneficiary discrimination within or across eligibility groups -- including children.
- No uniform, guaranteed adequate level of care would be required.
- Lack of comparability or statewideness requirements -- no guarantee of uniformity of benefits under a given State Plan.
- Redefining treatment under EPSDT -- there is no guarantee that states will provide any and all medically necessary services needed to treat detected health problems in Medicaid children.
- No federal right of action for individuals prohibits beneficiaries from challenging state decisions regarding ADS, comparability and statewideness.
- Repealing the Vaccine for Children program eliminates the cost-effective means for States to provide the childhood immunizations. This will result in reductions in the number of children vaccinated.
  - States and providers will have to purchase vaccine at private prices rather than at the government discount price.

State Definition of Disability

- State discretion to define disability will affect Medicaid children with disabilities - children with cerebral palsy, spina bifida, AIDS and other life-long debilitating diseases.
  - Medicaid is the primary source of payment for medical services for children with disabilities.
  - Medicaid covers 90 percent of all children with HIV and AIDS.

- As states are forced to provide medical care under a fixed block grant, coverage for the most expensive beneficiaries and services could be reduced.

- Families may be forced to give up one income in order for a parent to stay home and provide care to a disabled child.

- The required set-aside is insufficient to continue current level of services to all current disabled beneficiaries.

VACCINES FOR CHILDREN PROGRAM

Summary: The 5/21 Republican bill language repeals the Vaccines For Children Program. The Vaccines for Children Program was established in OBRA '90 to eliminate cost and delivery system barriers low income parents encounter when immunizing their children. It is widely supported by the Nation's Governors, the American Academy of Pediatrics, and State officials.

Background

The Vaccines for Children program (VFC) is an integral part of the Administration's comprehensive immunization initiative involving both public and private providers to increase vaccination levels for two-year-old children.

- The Administration's year 2000 immunization objective is to fully immunize at least 90 percent of two-year-old children with the recommended series of vaccine.

- Immunization rates are at the highest level ever recorded for the recommended series of vaccines including measles, mumps, rubella, diphtheria, pertussis, tetanus, and polio at 75% for two year olds.

The VFC program eliminates a cost barrier faced by Medicaid providers and low-income parents by supplying participating providers with vaccine purchased at a reduced federal price.

- Before VFC, Medicaid had to pay private sector vaccine prices (approximately $280 for the total series of vaccines) instead of the reduced federal contract price (approximately $130.)

- The high cost of vaccine coupled with the limited Medicaid reimbursement rates for immunization provided an economic disincentive for Medicaid providers to provide vaccines. As a result, the continuum of care for beneficiaries was disrupted as providers referred Medicaid beneficiaries to public health clinics for vaccines.

The shift from private prices to the reduced federal vaccine price saves millions of taxpayer dollars.

- California estimates that purchasing vaccines at the reduced federal price saves $40 million a year.

Impact of 5/21 Republican bill:

Repealing the Vaccines for Children program will remove an effective State tool for acquiring and distributing childhood vaccine.

- The VFC program operates in all states and has significant provider enrollment -- well over 39,000 provider sites.

- Through the VFC program all states are providing vaccine to public providers enrolled in the program, and all but a few states are distributing VFC vaccine to private providers.

- States have used the savings affiliated with the VFC program to extend the immunization program to uninsured groups.

The Republican bill would eliminate vaccine purchase contract authority for the Federal government and the States under Section 1928(d)

- The Centers for Disease Control and Prevention currently uses the VFC contract authority for all its vaccine purchases; elimination of this authority would stop the availability of vaccine in doctors' offices and public health clinics.

- States could no longer purchase additional vaccine with state funds for groups not otherwise VFC eligible; State costs would increase significantly or fewer children would be immunized.

Repeal of the VFC program would threaten our continued achievement of high immunization rates.

- The VFC program ensures that children have access to the newest disease preventing vaccines when they are approved and recommended.

- The VFC program was established to improve vaccine rates among two-year-olds: Almost 1.4 million children (25%) 19-35 months of age -- lack one or more of the recommended immunization doses.

IMPACT OF REPUBLICAN PROPOSAL ON CHILDREN

Total Medicaid cuts could reach $265 billion by 2002 if States spend only the minimum required to receive their full grant allocation. States may be forced to restrict the scope of coverage or cut back on essential benefits for children.

REDUCED COVERAGE

The Republican plan would deny the guarantee of coverage for up to 2.5 million children aged 13-18.

Over 800,000 disabled children may also lose coverage because the plan allows States to define disability criteria.

Since the funding formula does not guarantee that additional funds are available for new enrolless or when inflation is increased, states may be forced to deny coverage to certain groups.

A large number of children could lose coverage because states may define income and resources more restrictive than current law. For example, homeowners could be found ineligible because the value of a home could be used to determine eligibility. Under current law, a home of any value does not affect a child's eligibility.

GUARANTEE OF MEANINGFUL BENEFITS NO LONGER SECURE

The plan gives states complete flexibility to define the adequacy of required benefits (the amount, duration, and scope of benefits). Coupled with the cuts of up to $265 billion, states could be forced to:

- cover inpatient hospital care for children for just 1 day;
- cut treatment for a medical condition a doctor discovers through a health exam such as drugs or inhalers for asthma;
- cut home care for disabled children;

States could arbitrarily offer different benefits in different parts of the state, so that children in rural areas may lose vital services such as home visits from a nurse or clinical services from a doctor.

States could reduce benefits for certain populations such as disabled children. For example, disabled children may go without assitive devices such as wheelchairs or rehabillitation services.

The Vaccines for Children program is repealed and states are given flexibility to set their own vaccination schedules. Fewer vaccinations for children would result.

States can charge copays, making health services unaffordable -- Families with children could face copays for physician visits and deductibles for hospital stays.

Studies show that imposing copayments on low-income families results in lower use of necessary health care services.

FY 1993 - Average on disabled children $5,936
- All children $1,065

Impact on Children

1 in 5 children

The Republican Medicaid Plan may affect the health benefits of up to 18 million children:

No Guarantee of Coverage:

- No entitlement for certain groups of children.

  - Under current law, Medicaid coverage for children age 12-18 under 100% FL is being phased in. Under the Republican proposal coverage of this population is optional for the States -- if States decide to cover these children they only receive coverage for mandatory services.

- Medicaid populations will have to compete for Medicaid dollars -- children will lose to lobbyists, interest groups and advocates representing the elderly and the disabled.

  - Children represent over 49% of current Medicaid beneficiaries, however, 83% of Medicaid dollars are spent on services for adults, the elderly and the disabled.

Cuts up to $250 billion by 2002

- The Republican cut in Federal Medicaid spending is $72 billion, however, the total (Federal and State) reduction in spending could reach $250 billion over six years.

- Under Republican proposals, State matching requirements are reduced, therefore, the amount a State would have to spend in order to receive its full Federal allotment is less than what they currently have to spend.

- States would be allowed to spend less on children than they currently do.

  - The reduction in state spending may mean the elimination of coverage of optional groups of children. States may choose to only cover the mandatory eligible groups.

  - The reduction in State spending may mean a reduction in services for children -- most likely a reduction in optional services such as speech, hearing and language services

Less ~~thousand~~ in 2002 -- national basis (not in states with match below 40%)

Minimal Benefits Package

treatment under EPSDT
reduction in cov. for FQHCs and RHCs - mand. only for 1 year

- Mandatory benefits are reduced under the Republican proposal.

- The Vaccines for Children program is eliminated under the Republican proposal. Low income parents are going to have to overcome cost and delivery system barriers in order to get their children immunized.

state by state # of uninsured This will reduce the # even further.

Today - enough for it to meet its purpose. Must be reasonable

- States define the amount and frequency of medical services and benefits children receive.

- There is no requirement on States to treat illnesses and conditions discovered during preventive health screens and exams.

- Follow-up treatment is mandated only for vision, hearing, and dental services. Right now children are guaranteed coverage for services medically necessary to treat an illness or condition discovered during health screens and exams.

Cuts in Optional Benefits

- There are no defined optional benefits under the Republican proposal.

- Current optional benefits used extensively by Medicaid eligible children include personal care services that allow children to stay at home with their families rather than in institutions; speech, hearing and language disorder services which assist with child development and education; physical therapy services which aids mobility; etc.

- The elimination of the current treatment requirement coupled with the lack of defined optional benefits means that some children may not receive comprehensive health benefits.

Redefining Disability may Result in Cuts to Disabled Children

- States have the option to define disability - this could result in fifty different definitions of disability.

- This discretion allows States to deny benefits to certain disabled populations currently receiving Medicaid benefits. Over 4 percent of the children on Medicaid are disabled.

- Medicaid is the primary source of payment for medical services for children with disabilities.

  - These children and their families stand the most to lose under the Republican proposal. Their conditions demand intensive health care services - usually the most expensive to provide.

  - If states are forced to provide medical care under a block grant, coverage for the most expensive services, particularly services provided in a home setting, would be reduced.

  - Medicaid covers 90 percent of all children with HIV and AIDS.

THE REPUBLICAN MEDICAID BILL MIRRORS VETOED BLOCK GRANT -- NOT BIPARTISAN NGA AGREEMENT.

May 28, 1996

THE REPUBLICANS' FINANCING PROPOSAL -- CENTRAL TO MEDICAID REFORM -- IGNORES THE GOVERNORS' RECOMMENDATIONS. Unanimously, the Nation's Governors agreed to a financing formula that increases Federal funding when caseload and inflation increase. *The Republican bill's financing formula does not meet this principle.*

- **It is still a block grant.** The Federal–State partnership in financing Medicaid is severed. Under the Republican bill, fully 97 percent of Federal Medicaid spending is block granted. The Federal spending formula is permanently set in legislation so that if States experience a recession or a period of inflation, they are virtually unprotected.

- **Funding does not follow the people.** There is no component of the block grant that adjusts for caseload increases. Without incorporating caseload increases, funding will not keep pace with the caseload, possibly forcing States to deny health benefits to millions of children, people with disabilities, and older Americans.

- **The "umbrella" is full of holes.** Although 97 percent of Federal Medicaid spending is fixed in the block grant, there is a small "umbrella" fund that is supposed to protect states with high enrollment growth. However, this "umbrella" fund is full of holes because it is difficult to access and provides only a one–time payment for population increase, not sustained support for States with higher than expected enrollment.

THE REPUBLICAN BILL GOES BACK TO A MEANINGLESS BENEFITS PACKAGE. The NGA proposal moved towards standards for the amount, scope, duration, and benefits.

- **The Republican bill moves away from the NGA acknowledgement of the need for benefits standards.** Without standards, there is no such thing as meaningful benefits or a guarantee of coverage. For example, "coverage" of inpatient hospital care could consist of one day a year.

THE REPUBLICAN BILL ENDS A GUARANTEE OF FINANCIAL PROTECTION FOR MIDDLE CLASS FAMILIES. The NGA proposal did not remove protections against excessive cost sharing requirements for Medicaid beneficiaries.

- **The Republicans will force families to pay more for less.** The Republican bill removes current protections against excessive cost sharing requirements -- although the NGA proposal did not endorse this. Since total Medicaid spending will be cut by $265 billion over six years under this proposal, providers will face overwhelming financial incentives to shift long–term care costs to patients and their families.

VACCINES FOR CHILDREN PROGRAM (VFC) IS ELIMINATED. The NGA proposal did not recommend that the Vaccines for Children program be repealed.

- **Children would suffer without adequate vaccinations.** The Republican bill ends the Vaccine for Children program and lets States establish their own vaccinations programs. Repeal of VFC funding will reduce the number of children immunized.

REPUBLICANS STILL INSIST ON ENDING THE MEDICAID GUARANTEE

May 28, 1996

THEY ARE STILL INSISTING ON A BLOCK GRANT FORMULA THAT THE GOVERNORS HAVE ALREADY REJECTED. *The Federal–State partnership is severed. The Republican proposal does not meet the Governors' principle that funding must automatically adjust for all changes in enrollment.* Under the Republican proposal, fully 97% of Federal Medicaid spending is a block grant. The remaining 3% is dedicated to an umbrella fund posing as protection for States with high enrollment growth. However, this umbrella is full of holes because it is difficult to access and provides only a one–time payment for population increases, not sustained support for States with higher than expected enrollment.

MEDICAID CUTS COULD STILL TOTAL $265 BILLION. While the Republicans cut Federal Medicaid spending by $72 billion, the total Medicaid cuts could still reach $265 billion over 6 years if States spend only the minimum required to receive their full grant allocation. This is because the Republican proposal reduces State matching requirements.

MEDICAID GUARANTEE TO MEANINGFUL BENEFITS NO LONGER SECURE FOR MILLIONS OF CHILDREN, PEOPLE WITH DISABILITIES, AND OLDER AMERICANS. The Republican Medicaid plan still undermines the guarantee to meaningful health benefits. With total cuts reaching up to $265 billion, States could be forced to deny health benefits to millions of children, people with disabilities, and older Americans, putting millions of middle class families at risk of paying for health care for their parents, children or family members with disabilities.

- **Children.** Deep total cuts in Medicaid would put severe financial pressure on States to reduce health benefits for many of the 18 million children who currently receive Medicaid. In addition, the Republican proposal would deny the guarantee of coverage for 2.5 million children aged 13–18.

- **People with Disabilities.** The Republican plan still jeopardizes the Medicaid guarantee for the over 6 million people with disabilities who currently receive Medicaid by allowing States the option to define who meets the disability criteria. Their excessive Medicaid cuts may force States to restrict the scope of eligible disabilities, or cut back on benefits.

- **Older Americans.** Many of the Medicaid benefits critical to older Americans and people with disabilities are optional — including prescription drugs, home and community–based care, and assistive devices such as wheelchairs and communication devices -- and cuts reaching up to $265 billion could force States to cut back on these optional benefits.

THE GUARANTEE OF FINANCIAL PROTECTION FOR THE MIDDLE CLASS IS ENDED. Under the Republican bill, current law protections for Medicaid beneficiaries who own homes appears to be eliminated. As such, States may have the option to treat homes as assets, which would result in ineligibility for nursing home coverage. The only way to then obtain coverage could be to sell the home or family farm as an asset and spend down until the beneficiary met the State–defined resource threshold. In addition, States and providers will face overwhelming financial incentives to shift long–term care costs to patients and their families. Since Federal protections against excessive cost–sharing requirements are eliminated, many patients and their families will pay more for less.

MEDICARE TRUST FUND TALKING POINTS

June 3, 1996

UPCOMING MEDICARE TRUSTEES' REPORT CAN ONLY CONFIRM WHAT WE ALREADY KNOW -- REPUBLICANS SHOULD ACCEPT PRESIDENT CLINTON'S CALL TO BALANCE THE BUDGET AND STRENGTHEN THE MEDICARE TRUST FUND.

- As CBO said in its April 30th Hill testimony, "... *the projected date of insolvency should be viewed not as telling us something new, but confirming what we already know.*"

WE WELCOME REPUBLICANS' CONCERN ABOUT THE TRUST FUND, BUT LONG BEFORE THEY STARTED TALKING ABOUT THE PROBLEM, THE PRESIDENT WAS ACTING TO ADDRESS IT.

- The President's 1993 Economic Plan extended the life of the Trust Fund by *3 years -- without a single Republican vote.*

- The President's Health Care Reform Plan would have extended the life of the Trust Fund by *another 5 years.*

THE PRESIDENT'S BALANCED BUDGET GUARANTEES THE LIFE OF THE TRUST FUND FOR A DECADE -- THE SAME AS THE SENATE REPUBLICAN BUDGET

- In a May 9th letter, June O'Neill states that "CBO estimates that the Administration's proposals would postpone [the insolvency] date to 2005."

ACTION IS NEEDED -- BUT THE ONLY CAUSE FOR ALARM IS THE REPUBLICANS' REFUSAL TO MEET WITH THE PRESIDENT ON BUDGET AND MEDICARE ISSUES.

- **The need for responsible intervention to improve the Trust Fund is real.** The President's plan addresses this need in a responsible way, without imposing devastating provider cuts, increasing beneficiary costs, or enacting structural changes that hurt the program and the people it serves.

- **Over $125 billion remains in the Trust Fund.** While incoming revenues are somewhat less than outgoing payments, the current balance in the Trust Fund means that there is absolutely no danger that claims will not be paid.

- **Reports should not be used irresponsibly.** The upcoming Trust Fund report should not be used to recklessly frighten the 37 million Medicare beneficiaries and their families into thinking that their benefits are in imminent danger. They simply are not.

IT IS TIME TO PUT PARTISAN DIFFERENCES ASIDE AND AGREE ON THE COMMON MEDICARE SAVINGS BOTH REPUBLICAN AND DEMOCRATIC PROPOSALS HAVE.

- We have tens of billions of dollars in common Medicare savings that we could agree on tomorrow to strengthen the Trust Fund. All the Republicans need do is set aside their structural changes that would segment the wealthy and healthy from other beneficiaries and cause Medicare to *"wither on the vine."* (E.G., the Republican Medical Savings Account would actually weaken the Medicare Trust Fund, as it would cost $4 billion.)

KEY REPUBLICAN QUOTES ON MEDICARE

Senator Bob Dole: "I was there, fighting the fight, one of twelve, voting against Medicare in 1965 ... because we knew it wouldn't work."

American Conservative Union Speech
10/24/95

Speaker Newt Gingrich: "No, we don't get rid of it in round one because we don't think it's politically smart..... But we believe it's going to wither on the vine."

Blue Cross/Blue Shield Association Speech
10/24/95

Senator D'Amato: "If I had my druthers ... I would have said to my distinguished colleagues, both in the House and in the Senate, 'Don't link this business of tax cuts with fixing this badly flawed system. Put it aside.

Senate Finance Committee
09/26/95

REPUBLICAN BUDGET STILL THREATENS MEDICARE

June 3, 1996

"No, we don't get rid of it in round one because we don't think it's politically smart.... But we believe it's going to wither on the vine" -- Newt Gingrich, 10/24/95

REPUBLICANS STILL INSIST ON EXCESSIVE MEDICARE CUTS THAT WOULD MOVE MEDICARE TOWARD SECOND CLASS HEALTH CARE. The Republican budget reduces Medicare spending by $167 billion -- $51 billion or 44% more than CBO scored the President's balanced budget. It would reduce spending by over $1,100 per beneficiary in 2002 -- a 50% greater cut than the President's Medicare savings from the current CBO Medicare baseline.

WHILE HOUSE REPUBLICANS HAVE FINALLY AGREED NOT TO RAISE MEDICARE PREMIUMS, THEY HAVE NOT LOWERED THEIR TOTAL CUTS. Rather than raising costs on beneficiaries directly they now do it indirectly through even deeper cuts in payments to the hospitals and home health providers that serve beneficiaries, jeopardizing quality and access to health services.

- **Extreme Cuts Threaten Viability of Many Hospitals.** Their $167 billion cut could mean hospitals get lower payments tomorrow than today--even in nominal terms--and will result in cost-shifting, undermine quality, and threaten the financial viability of many rural and urban hospitals. According to the American Hospital Association, nearly 700 hospitals derive *67% or more* of net patient revenues from Medicare & Medicaid.

- **American Hospital Association and National Association of Children's Hospitals are "gravely concerned about the level of reductions proposed"** by Republicans in Medicare and Medicaid. [May 10, 1996 letter to Chairmen Roth, Archer, and Bliley from ten hospital associations.]

MORE THAN DOLLARS ARE AT STAKE -- THEIR DAMAGING STRUCTURAL CHANGES WOULD FORCE MEDICARE TO "WITHER ON THE VINE." The Republican budget still contains the damaging structural changes that President Clinton vetoed last year. These changes would segment the Medicare population, leaving the traditional program with fewer dollars and sicker beneficiaries.

- **MEDICAL SAVINGS ACCOUNTS (MSAs).** Republicans insist on the immediate adoption of untested changes to the Medicare program, such as MSAs, that appeal to the healthiest and wealthiest beneficiaries, leaving the sickest and most costly beneficiaries in a weakened fee-for-service program. CBO projects that MSAs will *increase* Medicare costs by more than $4 billion over seven years.

  > ***New York Times*** [11/18/95]: "A hallmark of the [Republican] Medicare legislation is the encouragement of private health plans....But many experts fear a balkanization of healthy and sick....If some experts worry that managed care plans would skim healthy recipients from the conventional Medicare program, many of the large plans are *concerned that the healthy would be skimmed from them by medical savings accounts.*"

- **OVER-CHARGING IN PRIVATE PLANS.** Republican proposals permit physicians to charge beneficiaries extra -- through "balance billing" -- in private Medicare plans, increasing out-of-pocket costs for beneficiaries and slowly draining the fee-for-service system of both doctors and dollars.

- **HARD SPENDING CAP.** Republicans impose a hard cap on Medicare spending. If costs increase faster than projected, spending would no longer keep up -- leading to cuts exceeding $167 billion.

  > ***Wall Street Journal:*** "Republicans also would apply a cap to these services. If health-care costs rose faster than the GOP budget allots, doctors, hospitals and other providers would have to absorb the losses. *That, in turn, could come back to bite the beneficiaries.*" [12/27/95]

- **PRESIDENT CLINTON'S BUDGET SHOWS THAT THEIR DEEP CUTS AND DAMAGING STRUCTURAL CHANGES ARE NOT NECESSARY TO BALANCE THE BUDGET AND GUARANTEE THE LIFE OF THE MEDICARE TRUST FUND FOR 10 YEARS.**

THE HOME HEALTH TRANSFER AND THE MEDICARE TRUST FUND: THE FACTS

June 3, 1996

FALSE CLAIM: *Without its home health transfer gimmick, the President's budget only extends the life of the Trust Fund by one year.*

THE FACTS: **Not True.**

1. **The President's balanced budget guarantees the life of the Medicare Trust Fund for a decade -- the same as the Senate Republican budget.** The Congressional Budget Office projects that the President's Medicare reforms would extend the life of the Medicare Trust Fund to 2005. The reforms build on the President's 1993 deficit reduction plan, which extended the life of the Trust Fund by 3 years -- *without a single Republican vote.*

2. **The President's budget strengthens the Trust Fund by:**

   a. **Reducing provider payments; and**

   b. **Restoring the pre-1980 law on Part A home health benefits -- This is NOT a gimmick:**

      - Prior to 1980, home health care services unrelated to hospital stays were not financed by the Hospital Insurance (Part A) Program. Only the first 100 home visits after a three-day hospital stay were financed under Part A. All other visits were financed by Part B. This is because Medicare Part A was intended to finance costs related to hospital stays.

      - In 1980, the law was changed and nearly all home health costs were shifted to Part A.
      - The President's proposal simply restores the pre-1980 law because home health care expenditures unrelated to hospital stays should not be financed by the Part A Trust Fund. Shifting home health spending unrelated to hospitalization back to the Part B programs helps extend the life of the Medicare Part A Trust Fund. (This shift will not affect the Part B premiums, coinsurance or deductibles.)

3. **REPUBLICANS ARE BEING HYPOCRITICAL: The 1995 House Republican budget also shifted some home health costs from Part A to Part B.** The House-passed Republican reconciliation bill also transferred certain home health care expenditures from Part A to Part B -- similar to the proposal in the President's balanced budget. *So if Republicans say it's a gimmick, it's a gimmick every Republican in the House voted for.*

4. **President Clinton's budget extends the life of the Trust Fund as long as the Senate Republican budget, but without their $167 billion Medicare cut and without their damaging structural changes.** The President's balanced budget proves the Republican $167 billion Medicare cut and damaging structural changes are not necessary to balance the budget and strengthen the Trust Fund for a decade.

MAKING FLORIDA A BETTER PLACE TO LIVE AND WORK

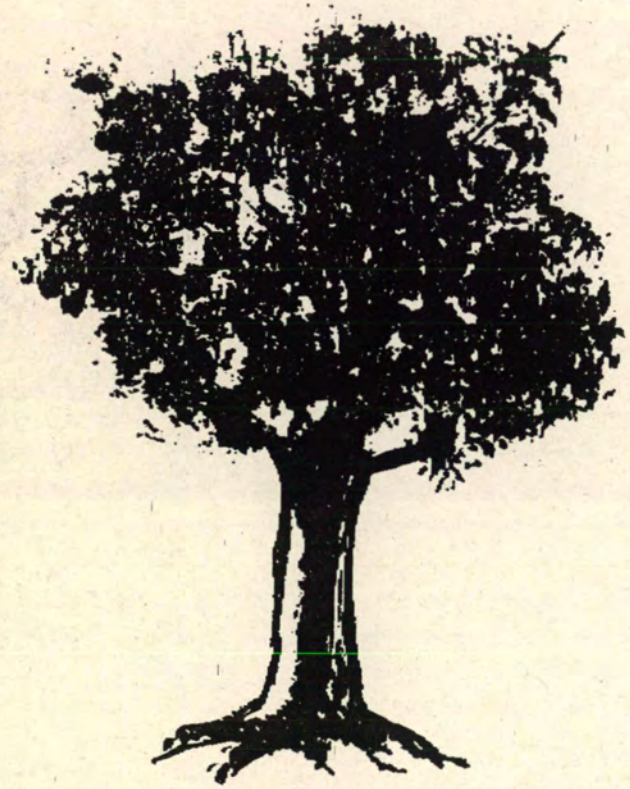
America Is Moving In the Right Direction Under President Clinton

- **Stronger Economy.** The combined rate of unemployment and inflation is at its lowest level since 1968.
- **8.5 Million New Jobs.** The economy has created more than 8.5 million new jobs under President Clinton. Private sector job growth rate nearly 8 times greater than during previous Administration.
- **Renewed Growth in Key Industries.** After a decade of enormous job losses in construction, manufacturing, and autos, these industries have made a remarkable recovery -- nearly one million new jobs combined under President Clinton.
- **Deficit Cut in Half.** The President's economic plan will cut the deficit for four years in a row for the first time since Harry Truman was President -- the largest reduction in history.
- **Keeping Guns Away from Criminals.** More than 60,000 fugitives and felons blocked from buying handguns because President Clinton fought to pass the Brady Bill.
- **Safer Communities.** The crime rate is down, violent crime fell 4 percent in 1995 -- the largest decline in more than a decade, and the number of murders decreased 8 percent -- one of the largest drops in three decades.
- **Stronger Families.** Teen pregnancy is falling, the poverty rate is decreasing, and the number of people on welfare is declining.

Florida Is Moving In The Right Direction Under President Clinton

- **Unemployment Rate in Florida Has Dropped from 7.3% to 5.2%.**
- **666,100 New Jobs in 39 Months -- Over Twice As Many As During The Previous 4 Years Combined.**
- **Consumer Confidence Has Increased 55%, After Declining During the Previous Administration.**
- **Crime Is Down.** In *Miami*, the number of reported murders fell 27% in the first half of 1995. And in *Tampa Bay*, the reported number of crimes dropped by 20% in 1995.
- **$15,000 of Reduced Federal Debt for Every Family of Four in Florida.** The President's economic plan is reducing the federal debt for each family of four by about $15,000.
- **899,441 Working Families Receive a Tax Cut.** The President's expanded Earned Income Tax Credit is helping 899,451 working families make ends meet.
- **2,210 New Police Officers in Florida.** The President's Crime Bill puts 2,210 new police officers on the street, strengthens drug courts helping keep adult and juvenile offenders from cycling through the legal system, and helps protect women and children from domestic violence and sexual offenders.
- **2,004,000 Workers Protected by Family and Medical Leave.** The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child or to care for a sick family member. This law covers about 2,004,330 workers in Florida.

May 31, 1996



"Our sins are not in our hunger for importance, but in the way we reach for it."

Rev. Enoch D. Davis

THE ENOCH D. DAVIS CENTER

The Enoch D. Davis Center, 1111 18th Avenue South is an 18,000 square foot multi-purpose center. The facility houses the James Weldon Johnson Branch Library, a large multi-purpose hall with a stage, three meeting rooms, office space for human service agencies to make their services more accessible to the community and classroom space for small groups.

The multi-purpose hall and the meeting rooms are available to be rented by the general public for personal affairs.

The building which was named for the Rev. Dr. Enoch D. Davis, a long time activist and civic leader in St. Petersburg, was dedicated on September 13, 1981. It is under the auspices of the City of St. Petersburg's Leisure Services Department and is managed by the Office on Aging.

The center was designed to serve the needs of the community by increasing the communities accessibility to a variety of social services and by providing opportunities for the community's involvement in social, cultural and educational activities and programs. Over the last years the center has made available to the community the services of approximately 16 different social and human service agencies, it has provided a variety of activities which provided entertainment, gave information, introduced new ideas, and reflected cultural heritage.

Programs are geared to meet the needs and interests of older adults, homemakers and working people and youth and teens.

We the staff of the Enoch D. Davis Center welcome you here to the center. We thank you for your patronage in the past and encourage your continued support.

HISTORICAL FACT SHEET
ENOCH D. DAVIS CENTER

The Enoch D. Davis Center is an 18,000 Square foot Multi-purpose Center. The facility houses the James Weldon Johnson Branch Library, a large multi-purpose hall with a stage, three meeting rooms, office space for human service agencies to make their services more accessible to the community and classroom space for small groups.

The building which was named for the Reverend Dr. Enoch D. Davis, a long time activist and civic leader in St. Petersburg, and was dedicated on September 13, 1981. It is under the auspices of the City of St. Petersburg's Leisure Services Department and is managed by the Office on Aging.

From 1981 to 1984 the facility was supervised by F. Bridgett Rahim-Williams, a native of St. Petersburg and the daughter of Mr. & Mrs Osby Newkirk. Ms. Williams left the Center to pursue other career avenues. In the interim, Arcilous "Sam" Mincey, Jr., accepted the Responsibility of Acting Supervisor. Mr. Mincey, also a native of St. Petersburg, had previously served as the Center's Program Assistant. Mr. Mincey served as Acting supervisor from 1984 to 1986. The current supervisor, Leontyne (Tyna) Middleton is a native of Mississippi but has been a resident of Pinellas County since 1981.

The Center was designed to serve the needs of the community by increasing the community's accessibility to a variety of social services and by providing opportunities for the community's involvement in social, cultural and educational activities and programs. The programs are geared to meet the needs and interest of older adults, homemakers and working people, and youth and teens. These services are usually provided at little or no cost to the participants. The facility is available for rental to the general public, private groups and organizations.

The Center operates with five staff positions. These positions include a Center Supervisor, an Office Systems Specialist, a Program Assistant, a Maintenance Worker and a part-time Activity Assistant.

In addition to paid staff the Center utilizes the services of volunteers. The volunteers who are area youth and adults serve in a variety of capacities which range from custodial and grounds help to program and office help. Volunteers through various service agencies, such as the Internal Revenue Service, also operate from the Center. In addition, the Center has developed an Advisory Council whose main responsibilities are to help the Center keep in focus the ever changing needs of the residents of the community surrounding the Center and to help with the major fundraising efforts of the Center. The Center operates on a $150,000.00 budget

which covers items such as Personnel Services, Employee Benefits, Contractual Services, Lawn Service, Training, Repair and Maintenance and commodities such as office supplies and janitorial supplies. Most program expenses are paid for through donations, fundraising efforts, grants, in-kind services or commodities.

ENOCH D. DAVIS CENTER
ADVISORY COUNCIL

Historically, the current Advisory Council is the second such group of community supporters who gathered to promote the interests and needs of the Center as they relate to the needs and interests of the community. The pioneer group was established in January of 1982 and operated for three and one half years. Attorney Isaiah W. Williams served as the chairman for the first Advisory Board of the Enoch D. Davis Center. Following Attorney Williams as chairperson for the Module 16 Committee were John Hopkins, Sr., the Director of the Pinellas Opportunity Council and Joyce Johnson, the current chairperson of the committee who is principal of Pinellas Park Elementary School.

The current Advisory Council of the Enoch D. Davis Center was established March 31, 1987. The purpose of the council was and is to serve in a supportive and advisory capacity to the Davis Center staff with regard to fundraising, programs and the Center's relationship to the community. The Council meets monthly on the Third Tuesday of the month. Chairperson of the current Advisory Council is Robert Woodall, Audit Services Personnel for Florida Power. Other members of the council include, Valerie Johnson, the outreach coordinator for the Resource Center For Women, Inc., at the Enoch Davis Center, Rev. John Copeland, Pastor of Macedonia Freewill; Dr. Deborah Flanagan, Optometric Physician; Adrienne Forehand; Rev. Curtis Long, Pastor of New Faith Free Methodist Church; Christopher Styles, Retired Educator; Andrea Smart and Solomon Stephens. Past Chairpersons of the Advisory Council include Charles A. Felton, Rev. Wayne Thompson, and Anthony Forde.

ENOCH D. DAVIS: THE MAN

Every man aspires to leave something of value in his wake - be it monetary, spiritual or philosophical... Enoch Douglas Davis, born in Waynesboro, Georgia and came to St. Petersburg, Florida as a teen in 1925. He began his preaching in 1930 taking on the pastorate of Bethel Community Baptist Church in 1932. From that time on Enoch Davis did much to make St. Petersburg, Pinellas County, and the State of Florida a better place for black people and all Americans to live.

Over the years, Enoch Davis was an outspoken advocate of equal rights for all Americans and figured prominently in the Civil Rights and desegregation efforts in public schools, public facilities, public housing, job opportunity, and up-grading in employment. In recognition of his services, both religious and civic, Enoch Davis received numerous plaques and certificates.

As a believer in education Enoch Davis not only fought for the rights of all people to receive a good education, but diligently strived to enhance his own learning experiences, earning degrees in both religion and education.

[Paraphrased from ON THE BETHEL TRAIL introduction by Mamie Brown]

.....And in every work that he began in the service of the house of God, and in the law, and in the commandments, to seek his God, he did it with all his heart, and prospered.

CHRONICLES 31:21

"Our sins are not in our hunger for importance, but in the way we reach for it."

Rev. Enoch D. Davis

A Social Security representative assists a resident with the form she needs.

This elementary school-age boy enjoys an afternoon of reading at the Johnson Library.

HISTORY

The Enoch D. Davis Center was named for the Rev. Dr. Enoch D. Davis, a long time activist and civic leader in the St. Petersburg community, and the Pastor of Bethel Community Baptist Church for over 50 years. The building was opened on September 15, 1981 and operates under the auspices of the City of St. Petersburg's Leisure Services Department. It is managed by the Office on Aging.

The Center aims to carry on Dr. Davis' life long dedication to make our community a rich and great place to live.

HOURS OF OPERATION

ENOCH D. DAVIS CENTER
1111 18th Ave. S., 893-7134

TUE.-THUR.	9 am - 9 pm
MON., FRI. & SAT.	9 am - 5:00 pm
SUNDAY	Closed

BRANCH LIBRARY
1111 18th Ave. S., 893-7113

SUN. & MON.	Closed
TUE.-THUR.	12 noon - 9 pm
FRI. & SAT.	9 am - 5:30 pm

CITY OF ST. PETERSBURG
DEPARTMENT OF LEISURE SERVICES
OFFICE ON AGING

Serving the needs of our youthful and adult residents

enoch davis center

1111 18TH AVENUE SOUTH
ST. PETERSBURG, FL 33705
(813) 893-7134

THE ENOCH DAVIS CENTER

The Enoch Davis Center is a handy resource for all St. Petersburg residents, and especially those neighboring this multi-service facility at 1111 18th Avenue South.

Inside the doors of the modern building you'll find a unique range of activities: the James Weldon Johnson Branch Library, a large meeting hall, multi-purpose rooms and offices for social service agencies. Residents will find the Davis Center to be an especially helpful resource, bringing quality services, programs and activities to the community.

JAMES WELDON JOHNSON BRANCH LIBRARY

A 50,000-volume library gives local residents access to fine reading material, educational programs which include help with reading and writing skills, local services such as typewriters for public use, and voter registration.

An enclosed reading patio and an excellent collection of black literature are just two of many unique features you'll find at this library, one of a network of public libraries provided for the cultural enrichment of the residents of St. Petersburg.

James Weldon Johnson, for whom the library is named, was an educator, journalist, author, poet, civil rights leader and composer of the National Black Anthem, "Lift Every Voice and Sing." The branch library, established in 1947, was moved to its new home when the Enoch Davis Center was constructed in 1981.

For more information, call 893-7113.

SOCIAL SERVICES

Several agencies provide direct services at the Davis Center. Some of these agencies help residents with special needs. For example, older residents can call on the assistance of the Social Security Administration, Neighborly Senior Services (meals and activities) and more. Youth and adults may receive tutoring services, mental health counseling, or assistance with employment opportunities to name a few.

To find out more information on what services are offered, call the Center at 893-7134.

PROGRAMS & RENTALS

Meeting rooms and a multi-service room afford opportunities for a wide variety of community programs, workshops and classes. Educational and cultural programs for personal enjoyment and classes to work toward academic degrees are available. For an up-to-date listing of what's taking place at the Center, call 893-7134 or stop by the Center and pick up a monthly calendar of events.

The Center is available for both community and private activities. The purpose of the event as well as the day and time it is to be held determine whether or not a rental fee is charged. A refundable security deposit is also required. Room reservations should be made at least two weeks in advance.

COMPLETE, DETACH AND RETURN TO THE ENOCH DAVIS CENTER

I would like to support the Enoch Davis Center

- ☐ I am interested in becoming an Enoch Davis Center volunteer.
- ☐ I have enclosed a tax deductible donation to the Enoch Davis Center.
- ☐ I would like to make an in-kind donation (furniture, office equipment, AV equipment, etc.) to the Enoch Davis Center.

Name _____

Address _____

City _____

State _____ Zip _____

Phone _____ Time: AM PM

Please make all checks payable to the City of St. Petersburg, Enoch Davis Center and mail to:

Enoch Davis Center
1111 18th Ave. S.
St. Petersburg, FL 33705

Brenda,

Attached please find the documentation I utilized for the population and Medicaid statistics you requested. The Medicaid information (3/96) is from a monthly report distributed by the Agency for Health Care Administration. The population data (1994) is taken from "Florida County Comparisons" distributed by the Department of Commerce. The percentages I calculated from this data for Pinellas County Medicaid recipients are as follows:

Age	0-17	18-64	65+
	22.75%	7.37%	7.27%

25.5% of the population 65 and older (Pinellas County) [redacted] is eligible for Medicare.

	Population Ages 0 to 17			Population Ages 18 to 64			Population Ages 65 and Over		
	Number	Percent	Rank	Number	Percent	Rank	Number	Percent	Rank
Hendry	9,151	31.60%	1	16,459	57.31%	38	3,126	10.90%	58
Hernando	20,464	17.60	63	56,450	49.14	65	37,972	33.06	3
Highlands	14,748	19.44	57	35,629	46.97	67	25,482	33.59	2
Hillsborough	218,498	24.86	25	548,832	62.43	14	111,739	12.71	48
Holmes	3,912	23.47	37	10,190	60.14	25	2,774	16.39	33
Indian River	18,666	19.18	59	51,911	53.32	59	26,788	27.50	9
Jackson	11,102	24.44	31	27,652	60.86	22	6,667	14.68	40
Jefferson	3,564	27.24	12	7,467	57.07	40	2,054	15.70	35
Lafayette	1,367	23.46	38	3,747	64.32	5	712	12.22	52
Lake	34,798	20.33	53	87,512	51.12	62	48,858	28.54	7
Lee	74,470	20.27	54	200,831	54.66	55	92,109	25.07	13
Leon	48,017	22.64	44	145,947	68.81	2	18,143	8.55	65
Levy	6,785	23.31	41	16,597	57.01	41	5,729	19.68	22
Liberty	1,551	23.72	35	4,185	64.01	7	802	12.27	50
Madison	5,068	28.52	4	10,340	58.19	37	2,360	13.28	45
Manatee	45,581	19.97	56	119,117	52.16	60	63,585	27.85	8
Marion	48,650	22.33	47	119,238	54.72	54	49,974	22.94	16
Martin	20,484	18.58	60	58,505	53.08	58	30,238	27.43	10
Monroe	14,771	17.96	62	54,036	65.72	4	13,445	16.35	34
Nassau	12,986	27.41	11	29,567	62.42	15	4,818	10.17	61
Okaloosa	42,108	26.60	14	100,639	63.69	8	15,371	9.71	63
Okeechobee	9,049	27.99	8	17,819	55.12	53	5,457	16.88	31
Orange	183,857	24.84	28	471,129	63.65	9	85,181	11.51	56
Osceola	33,059	25.21	21	78,153	59.61	31	19,899	15.18	37
Palm Beach	191,935	20.48	52	519,823	55.47	49	225,432	24.05	15
Pasco	53,067	17.76	64	148,770	49.78	64	97,015	32.46	4
Pinellas	159,015	18.26	61	487,521	55.99	47	224,186	25.75	12
Polk	106,935	24.46	30	249,965	57.17	39	80,304	18.37	26
Putnam	17,525	25.41	20	38,185	55.36	52	13,270	19.24	24
St Johns	21,319	22.50	46	56,942	60.09	27	16,497	17.41	28

NUMBER OF MEDICAID ELIGIBLES BY AGE BY COUNTY AS OF 03/31/96

AGE / COUNTY	0-5	6-10	11-17	18-21	22-35	36-59	60-64	65-74	75-84	85+	TOTAL
LEVY	916	786	656	200	572	755	113	241	271	147	4,537
MARION	6,482	5,266	4,309	1,357	4,024	3,[illegible]	527	1,825	1,303	829	29,125
PUTNAM	2,995	2,280	1,975	747	1,756	1,690	265	746	485	328	13,149
SUMTER	1,260	1,035	930	308	743	696	114	341	266	123	5,820
SUWANNEE	883	663	604	255	591	588	109	337	363	257	4,650
UNION	277	213	213	71	186	163	22	68	58	28	1,297
TOTAL AREA 3	31,512	24,555	20,923	7,342	19,894	17,592	2,622	7,790	6,468	4,381	143,079
BAKER	653	505	407	155	424	284	34	101	75	30	2,672
CLAY	1,793	1,128	948	370	993	649	81	268	184	69	6,483
DUVAL	17,902	14,138	12,215	4,425	12,168	9,492	1,446	4,277	3,625	2,532	82,220
FLAGLER	683	542	462	155	405	336	30	115	98	84	2,910
NASSAU	900	672	544	208	564	444	56	216	137	75	3,816
ST. JOHNS	1,604	1,146	943	380	1,026	1,122	158	471	416	336	7,602
VOLUSIA	8,360	6,516	5,083	1,842	5,717	5,083	682	1,993	1,626	1,428	38,330
TOTAL AREA [illegible]	[illegible]	24,851	20,602	7,535	21,297	17,410	2,487	7,441	6,161	4,554	144,033
PASCO	6,408	4,571	3,427	1,253	4,28[illegible]	4,172	560	1,501	1,254	931	28,357
PINELLAS	15,880	21,510	6,789	3,282	10,88	10,099	1,431	4,636	4,110	3,886	74,514
TOTAL AREA [illegible]	22,288	26,081	10,216	4,535	15,16	14,271	1,991	6,137	5,364	4,817	102,871
HARDEE	1,516	998	814	258	60	514	80	261	148	94	5,289
HIGHLANDS	2,113	1,426	1,091	496	1,12	975	167	447	428	334	8,591
HILLSBOROUGH	26,844	19,165	15,358	5,547	15,59	13,220	1,935	6,168	4,465	2,734	111,031
MANATEE	5,251	3,459	2,512	926	2,59	2,068	335	934	733	612	19,442
POLK	14,092	10,087	8,075	3,100	7,90	6,264	975	2,820	2,206	1,508	57,063
TOTAL AREA [illegible]	45,822	35,135	27,850	10,327	27,82	23,065	3,492	10,630	7,980	5,282	201,416
BREVARD	8,259	6,433	5,104	1,877	5,45[illegible]	4,354	520	1,600	1,371	1,116	36,126
ORANGE	19,74[illegible]	14,504	11,919	4,275	11,55[illegible]	9,209	1,384	4,233	3,194	2,109	82,114
OSCEOLA	3,769	2,588	1,949	789	2,04[illegible]	1,549	221	756	595	472	14,659
SEMINOLE	5,521	3,864	2,827	1,134	3,40	2,361	342	1,084	905	660	22,102

FACSIMILE TRANSMISSION
City of St. Petersburg
Leisure Services, Office on Aging
ENOCH D. DAVIS CENTER

FAX NUMBER: (813) 893-7288

TO: Brenda Costello

COMPANY:

FROM: Sharon Thomas, Enoch Davis Center OSS

DATE: 6/6/96 # OF PAGES (10)

SUBJECT: EDDC & Programs