

MEDICARE Event Material:

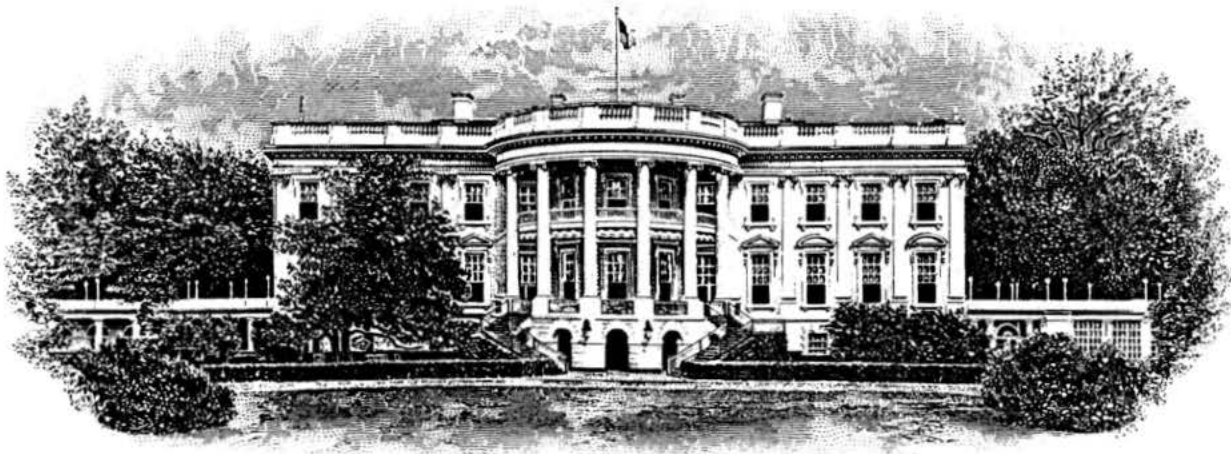
July 27, 1997

PHOTOCOPY
PRESERVATION



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The White House



Medicare Event

Location

Tuesday July 27, 1999, 11:30 am
SC-5, United States Capitol

Event requested by Laura Quinn
Briefing prepared by Sarah Bianchi
Phone: (202) 456-5585

EVENT

This event is a press conference with Representative Gephardt, Senator Daschle and other Democrats on the Capitol Hill to urge the Republican leadership to reconsider using the entire surplus for risky tax cuts rather than investing in Medicare. Earlier in the morning the President and the First Lady are participating in an event at the White House also advocating dedicating a portion of the surplus for Medicare and underscoring the importance of Medicare for women.

LOGISTICS

- Following your meeting with the Congressional Hispanic Caucus you go to SC-5;
- Senator Daschle opens the press conference and introduces Representative Gephardt;
- Representative Gephardt speaks and introduces you;
- You speak.

YOUR ROLE and CONTRIBUTION

This event provides an opportunity for you to:

- (1) Underscore your views in the tax debate this week by urging Republicans who want to spend the entire surplus on tax cuts to reconsider these risky proposals that undermine prosperity and do not dedicate one dime to the Medicare program;
- (2) Highlight the importance of the Administration's proposal to extend the life of the Medicare Trust Fund and the need for a long overdue Medicare prescription drug benefit, and unveil new statistics that underscore the particular importance of this in rural America; and
- (3) Join Democrats in a united call for avoiding risky tax cuts and dedicating some of the surplus to Medicare. Earlier in the morning the President and First Lady are also participating in an event at the White House that highlights the importance of Medicare to women. You can also amplify this message that is similar to an event you did on Medicare and older women with the Older Women's League Medicare earlier this spring.

ATTACHMENTS

- Background on policy and message;
- Background on Medicare and rural beneficiaries;
- Highlights of the facts on Medicare and women unveiled earlier at the White House.
- General Q&A (*provided by your press office*)

BACKGROUND OF GENERAL MEDICARE POLICY AND MESSAGE

Today you are:

Underscoring that the Clinton/Gore Plan Strengthens Medicare for a Quarter Century and Provides a Long Overdue Critical Prescription Drug Benefit. You are highlighting that the Administration's proposal would:

- **Extend Medicare solvency until 2027.** The Administration's proposal dedicates \$374 billion to Medicare most of which helps extend the life of the Medicare Trust Fund and makes Medicare more efficient and competitive.
- **Reduce the public debt.** By locking away most of the surplus dedicated to Medicare, the Administration's proposal buys down the debt which helps boost national savings, leading to lower interest rates and a higher standard of living. Under the Administration's framework, the public debt will be eliminated by 2015.
- **Provide a much-needed prescription drug benefit.** Seventy-five percent of Medicare beneficiaries have unstable or inadequate prescription drug coverage. The Administration is proposing a new prescription drug option that is available for all Medicare beneficiaries.
- **Eliminate the deductible and all copayments on all preventive benefits covered by Medicare,** including benefits to prevent and detect osteoporosis, all cancer screenings, and diabetes.

Highlighting that the Republican Plan Makes No Commitment to Medicare. The Republican proposals invest nearly the entire surplus in tax cuts and do not invest at all in Medicare. Instead they support proposals that undermine the Medicare program. They:

- **Raise traditional Medicare premiums** through a new premium support proposal which mostly produces savings by raising premiums for traditional Medicare.
- **Do not dedicate one dime of the surplus to strengthen Medicare.** Independent analysts agree that the retirement of the baby boomers will require additional revenues to adequately finance the Medicare program for the next generation. Without this investment, Medicare would have to grow at a rate at 60 percent below the per capita growth rate projected for the private sector.
- **Reduce provider payments excessively and have no relief for providers in need today.** The Republican proposals extend most of the Balanced Budget Act (BBA) policies that save by reducing provider payments. They also do not include any financing to ease providers who have been excessively cut by the BBA that need some immediate relief.

- **Raise age eligibility to 67**, which would increase the number of uninsured Americans.
- **Impose new copayments for home care and nursing homes** that cause higher out-of-pocket costs for some of the most vulnerable Medicare beneficiaries.

MEDICARE BENEFICIARIES IN RURAL AMERICA HAVE A GREATER NEED FOR A PRESCRIPTION DRUG BENEFIT. You are also unveiling new facts that underscore the need for the Administration's proposed prescription drug benefit for Medicare beneficiaries in rural America.

Nearly One in Four Medicare Beneficiaries Live in Rural America. Of the forty million Medicare beneficiaries, over nine million live in rural America.

One in Three Medicare Beneficiaries Without Prescription Drug Coverage Live in Rural America.

- **There are thirteen million Medicare beneficiaries without prescription drug coverage.**
- **One-third – approximately 4.5 million -- of these Medicare beneficiaries live in rural America.**

Rural Beneficiaries Are More Likely to Lack Medicare Prescription Drug Coverage.

- **Nearly fifty percent of rural Medicare beneficiaries lack prescription drug coverage.** Thirty-four percent of all Medicare beneficiaries lack coverage.

Rural Beneficiaries are Less Likely to Have Prescription Drug Coverage Across All Income Groups.

- **Forty-five percent of Medicare beneficiaries with incomes above \$50,000 lack prescription drug coverage** whereas only 25 percent of Medicare beneficiaries across the country in this same income category lack prescription drug coverage.
- **Forty-three percent of Medicare beneficiaries with incomes between \$30,000 and \$50,000 lack prescription drug coverage** whereas only 28 percent of all Medicare beneficiaries in this same income category across the country lack coverage.
- **Fifty-two percent of Medicare beneficiaries with incomes between \$10,000 and \$30,000 lack prescription drug coverage** whereas only 36 percent of all Medicare beneficiaries in this same income category lack coverage.
- **Forty-five percent of beneficiaries with incomes below \$10,000 lack prescription drug coverage** whereas 34 percent of all Medicare beneficiaries in this same income category lack coverage.

These Trends Are Explained By Insufficient Medicare Managed Care, Retiree Health Plans, and Medigap Plans in Rural Areas.

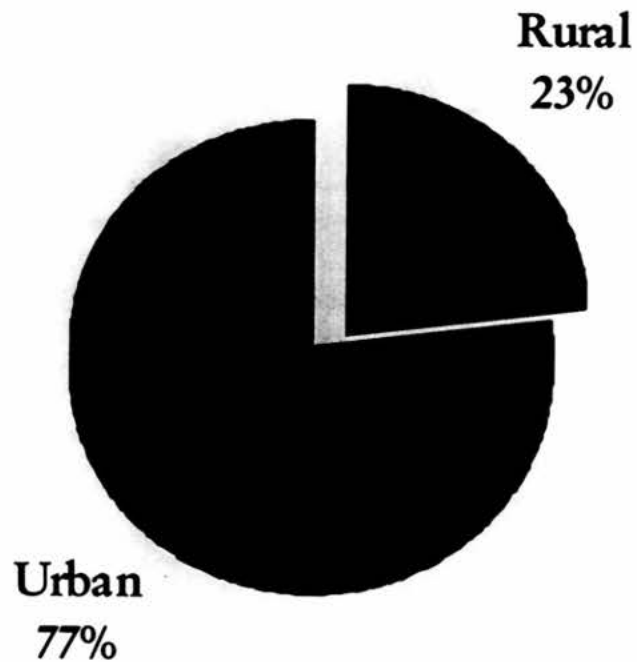
- Many Medicare Managed Care plans, which often offer prescription drug coverage, are not available rural areas and beneficiaries only have access to traditional Medicare, which does not cover prescription drugs. In fact, nearly three out of four Medicare beneficiaries in rural areas do not have access to Medicare managed care plans at all.
- Rural Medicare beneficiaries are less to likely have jobs that offer retiree health plans that often offer prescription drug coverage (since such coverage is typically associated with large firms).

Millions More Rural Americans Have Insufficient Drug Coverage.

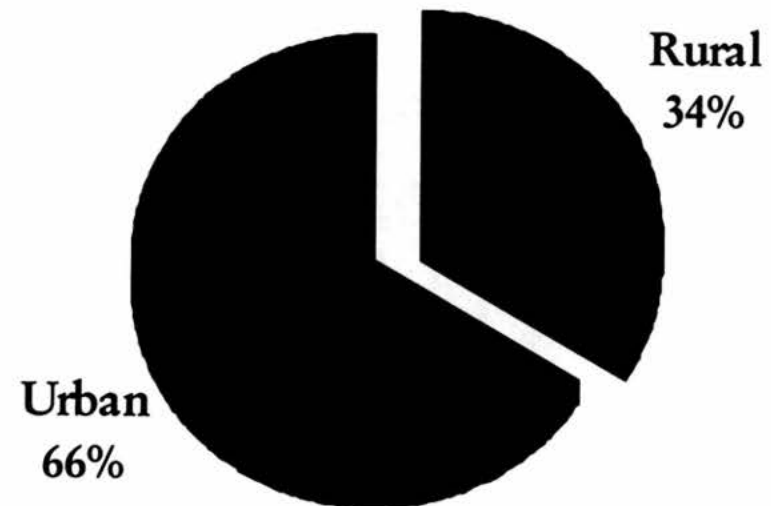
- Medigap plans are often the only option for supplemental coverage in rural areas. Medigap premiums vary widely throughout the nation but are consistently two to three times higher than the Medicare premium proposed by the Administration. Moreover, unlike the Administration's proposal, premiums for Medigap plan substantially increase with age due to "age rating."

One In Three Beneficiaries Without Prescription Drug Coverage Lives In Rural America

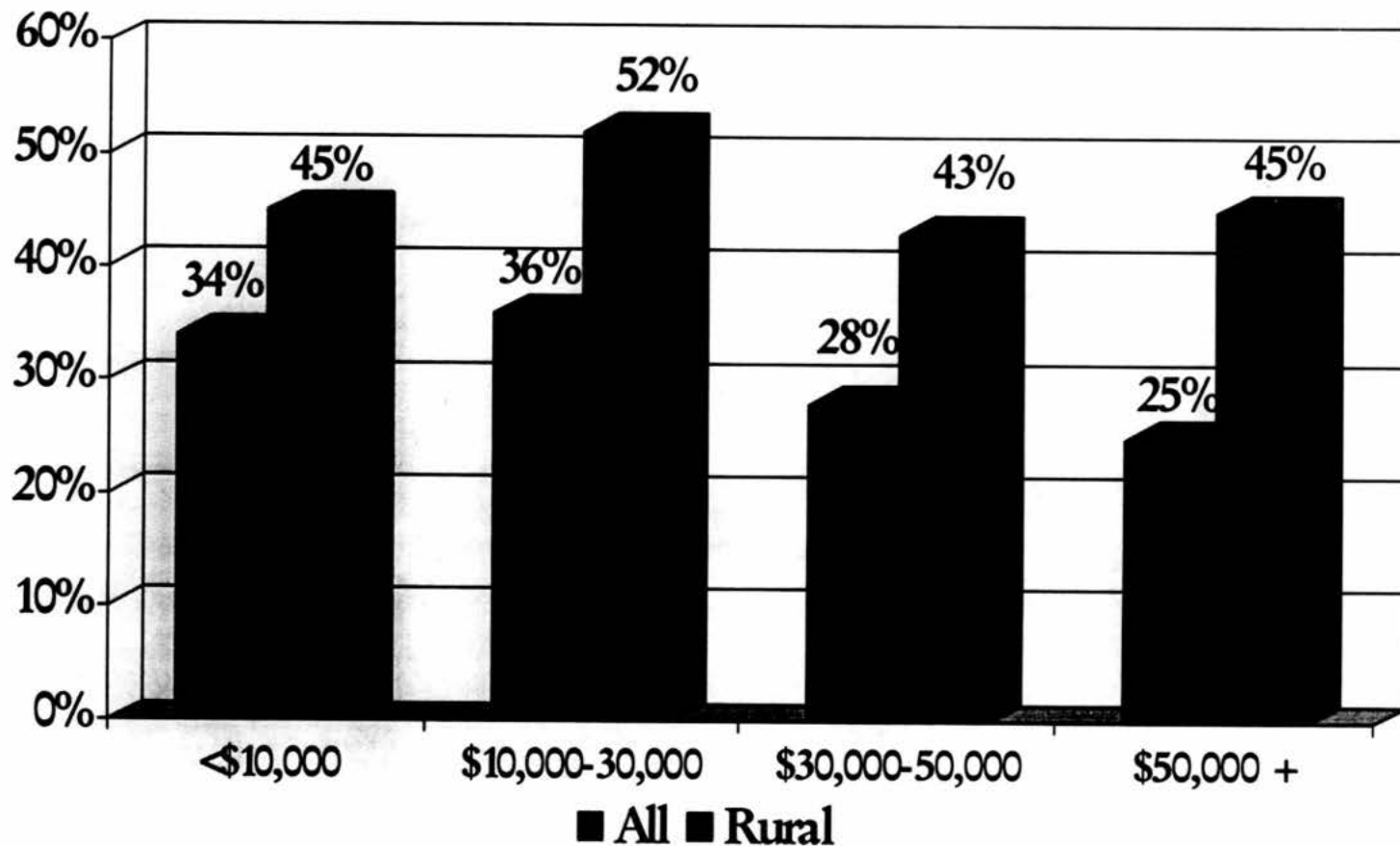
All Medicare Beneficiaries



Medicare Beneficiaries Without Prescription Drug Coverage



Rural Beneficiaries Are Less Likely To Have Prescription Drug Coverage Across All Income Groups



HIGHLIGHTS OF STATS ON MEDICARE AND WOMEN THAT THE PRESIDENT AND FIRST LADY RELEASED EARLIER TODAY

Earlier today at a White House event, the President and the First Lady joined the Older Women's League (OWL) in releasing a new report entitled "*Medicare: Why Women Care*," which documents the need to strengthen and modernize Medicare and describes the importance of Medicare to women. This report, that is similar to the one you unveiled with OWL in May, has key findings including:

MEDICARE, A SOURCE OF FINANCIAL AND HEALTH CARE SECURITY FOR OLDER WOMEN, IS AT RISK.

- **Most elderly Americans covered by Medicare are women.** Twenty out of the 34 million elderly Americans covered by Medicare are women, who comprise nearly 3 out of 5 older Americans.
- **Women in the baby boom generation will not be able to count on Medicare.** Most women turning 65 today are expected to live through 2018, while the Medicare Trust Fund is expected to expire in 2015. Medicare solvency would have to be extended to 2028 to be viable through the retirement of the entire baby boom generation.
- **Women have greater health care needs and lower incomes.** About 73 percent of older women have two or more chronic illnesses compared to 65 percent of men. Women also have lower incomes than men, and seven out of 10 Medicare beneficiaries living below poverty are women.

WOMEN FACE GREATER COST BURDENS – AND BARRIERS TO HEALTH CARE – BECAUSE OF MEDICARE BENEFIT LIMITATIONS. As important as Medicare coverage is to women, its benefits are outdated.

- **Higher out-of-pocket health spending.** Women on Medicare pay 22 percent of their income on health care compared to 17 percent for men. Lower income women pay an even greater share of their limited incomes – 53 percent for the poorest.
- **About 7.3 million women on Medicare have no coverage to help pay for their prescription drug costs.** Half of these women without drug coverage have income above 150 percent of poverty, underscoring the importance of drug coverage for people of all age groups.
- **Out-of-pocket payments for preventive services also constitute a barrier to health.** In the first two years that Medicare covered mammography, just 14 percent of women without supplemental insurance had this screening. In 1993, only 37 percent of Medicare beneficiaries without supplemental insurance had Pap smears, compared with 59 percent of women who had supplemental insurance.

**POLITICAL
Q&A**

Q: Recent reports suggest you are shifting your campaign focus to a contrast between yourself and Republican Governor George Bush, presenting yourself as a man of ideas and Bush as a man of money. Are you?

A: My focus has always been on MY campaign and the dialogue I'm having with Americans on the issues that are important to them and their families.

I'm energized by the response I'm getting and grateful for the support I'm getting from hard-working Americans all across the country.

They agree we need revolutionary change to improve our public schools, safe communities where neighbors are looking out for each other and their kids; an America where Social Security and Medicare are safe for every generation; and where our nation's justice system is tougher on criminals and better for our country's families.

We are a great nation. We can build an America that makes our country's families not just better off, but better, in every way. That's why I'm running for the President.

Q: President Clinton recently made light of George W. Bush's slogan "compassionate conservatism". Did you find these remarks helpful? Do you encourage them?

A: The President made clear he was speaking in jest only and was simply having fun.

But he also made clear -- and I agree with him -- that the most important thing the candidates can do at this stage is talk about what they'd do if elected, what their vision is for America in the century to come. That's where my focus is: the issues of importance to Americans and their families.

That's why I've been traveling the country talking to Americans about the need for revolutionary change in our public schools so every child gets the education they need to succeed. I want every exhausted parent, fighting to balance work and family without enough hours in the day, to know we're on their side, working hard to help them strengthen their families and spend more time with their kids. I want to create an America where neighbors are looking out for each other in communities with clean air and water, and parks and playgrounds for their children; an America where Social Security and Medicare are safe for every generation; and an America where our nation's justice system is tougher on criminal and better for our country's families. We are a great nation. We can build an America that make our country's families not just better off, but better, in every way.

Q: At one point you championed "practical idealism," then "stand by me" and "new horizon". If George Bush's slogan is "compassionate conservatism", what's your campaign slogan?

A: I think the American people are better served when candidates present them with clear, defined ideas -- and that's been my focus.

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Q: What's your reaction to Republican attacks saying it was hypocritical of you to visit New Hampshire and talk about the environment and yet have millions of gallons of water dumped into the Connecticut River for your canoe trip?

A: Well, let me begin by saying that I have been a passionate defender of the environment for over 20 years. This is an issue that I am deeply committed to and will continue to focus on.

My understanding is that the Connecticut River Joint Commission recently issued a release clearing up the confusion around this matter.

Q: More than any other candidate at the moment you're focusing on substance but it doesn't appear that the voters are listening. Is it too early to have this dialogue?

A: No, it is never too early to talk to the American people about their concerns and the issues affecting them and their families. And the people that I've talked don't think it's too early.

I'm energized by the response I'm getting and grateful for the support I'm getting from hard-working Americans all across the country.

They agree we revolutionary change to improve our public schools, safe communities where neighbors are looking out for each other and their kids; an America where Social Security and Medicare are safe for every generation; and where our nation's justice system is tougher on criminals and better for our country's families.

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Q: How is the campaign going?

A: Really well. I'm talking to Americans all across our country about issues important to our families and our future. I'm energized by the response I'm getting and grateful for the support I'm getting from hard-working Americans all across the country.

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Q: What do you think of the negative media attention you've recently been receiving about being too stiff, having a problem plagued campaign?

A: My focus is on the concerns I'm hearing from America's families and how we can work together as a nation to meet the challenges ahead -- from improving schools to expanding our prosperity and protecting our children from guns and drugs.

And I can tell you this -- what will ultimately determine this election will be the power of ideas that address these concerns.

Q: How will your administration be different from President Clinton's?

A: I think the 21st century will hold different challenges that we as a country need to address. Families now face different challenges and new pressures. In 1992, our focus was the economy -- unemployment was running high; welfare was becoming a way of life, not a way out; the thought of a balanced budget seemed like a dream, let alone talk of a surplus.

We got America back on its feet. Now we can reach higher to make America not just better off, but better.

Q: What's your response to GW's statement that you no more invented prosperity than you invented the Internet?

A: First of all, the American people -- the working men and women out there in America who are working for their children's education and for a better future for themselves -- they are the key to this country's economic success. And they know that if we're going to expand the prosperity and keep growing our economy, we've got to keep moving forward with the kinds of economic policies that our Administration has brought to the country.

We've got to continue to be fiscally responsible and balance the budget – or better – every year. We need to increase our investments in efforts that create economic growth, such as education, technology, and research; We need to continue to streamline government, reducing its size and eliminating red tape; and we need to work to open new markets by expanding free and fair trade.

That's how we've erased a record-high deficit and replaced it with a record-high surplus.

Americans remember what it was like before. They know the economic policies of the Republican Party were wrong for America. We don't want to go back to high unemployment, stagnant wages, and limited opportunity. I want America to keep moving forward.

Q: Are you concerned at all about the massive amount of money GW has managed to raise?

A: Ultimately what decides elections isn't money but ideas. I will continue to focus on the issues the American people care about: the need to help and strengthen our families, the education of our children, and protecting our families from crime.

Q: Aren't you concerned that Mrs. Clinton senate campaign will damage your own Presidential campaign for 2000?

A: I think Mrs. Clinton is one of the most accomplished and committed people I have ever met in my entire life. I think she has much to contribute and I think she will galvanize Democratic voters and make a great Senator for the state of New York.

Q: You recently named Carter Eskew as one of you senior media advisers, the consultant hired by the tobacco industry to kill the Administration-backed anti-smoking bill. Given the remarks you've made on tobacco, and you sister's death due to cancer from smoking, isn't this hypocritical on your part?

A: My commitment to protecting our children from the dangers of smoking and doing everything I can to save the lives now lost to smoking is strong and unrelenting. That commitment would be an important part of my agenda as President.

Q: Why do you want to be President of the United States? What are the biggest challenges facing America at home?

A: Because I want to ensure that we do everything we can to strengthen America's families, help them face the challenges and pressures of today and seize the opportunities of tomorrow.

I want to ensure that our economy is strong and prosperity is expanding for all our families. I want to make sure America is a place of opportunity, where our children get a

great education and our families grow stronger because our policies are improving the quality of our lives. I want to make sure America connects the wisdom and values we learned from our parents and from our own experience to the extraordinary opportunities we want for all our children and grandchildren. We face new challenges in the news century and we need to be ready to meet those challenges.

As President, I will bring revolutionary change to our public schools so every child gets the education they need to succeed. I want every exhausted parent, fighting to balance work and family without enough hours in the day, to know we're on their side, working hard to help them strengthen their families and spend more time with their kids. I want to create an America where neighbors are looking out for each other in communities with clean air and water, and parks and playgrounds for their children; an America where Social Security and Medicare are safe for every generation; and an America where our nation's justice system is tougher on criminal and better for our country's families. We are a great nation. We can build an America that make our country's families not just better off, but better, in every way. That's why I'm running for President.

Q: What will or can you do as President to keep the prosperity going?

A: I have an ambitious five point plan for economic growth in the 21st century.

I will maintain fiscal discipline by calling for a balanced budget every year;

I will use good economic times to tackle tough long term economic problems;

I will continue cutting regulations and reinventing government, so that it costs less and works better;

I will invest more in education for the information age;

And I will see to it that America maintains its role as a world leader in global economic growth.

And I feel we must spend in a fiscally responsible way. Ensuring that our country continues on the path we've laid out, one of fiscal discipline and targeted spending, is one of the highest priorities for me.

Q: Why have you focused less on environmental issues? Will you make global warming an issue in the campaign?

A: The environment will be an important issue in this campaign, including the issue of global warming. I continue to talk about why it's so important to our families and our future to have clean air and clean water, to protect open spaces and parks, to reduce pollution because that helps increase profits and strengthen our economy. .

Q: Do you think the President is still worried about your campaign? What role does he play in your organization?

A: I know I have the full faith and confidence of my friend, the President. I feel great about where my campaign is. I've been out there talking about issues that are important to America's families, like creating revolutionary change in education, providing a role for our churches and synagogues and other religious organizations in helping solve some of our most difficult problems, and making fundamental changes to our nation's judicial system so that it is tougher on criminals and better for American families. I can see that people are responding positively from their reactions during these campaign stops and I'm going to continue talking about these issues throughout this campaign.

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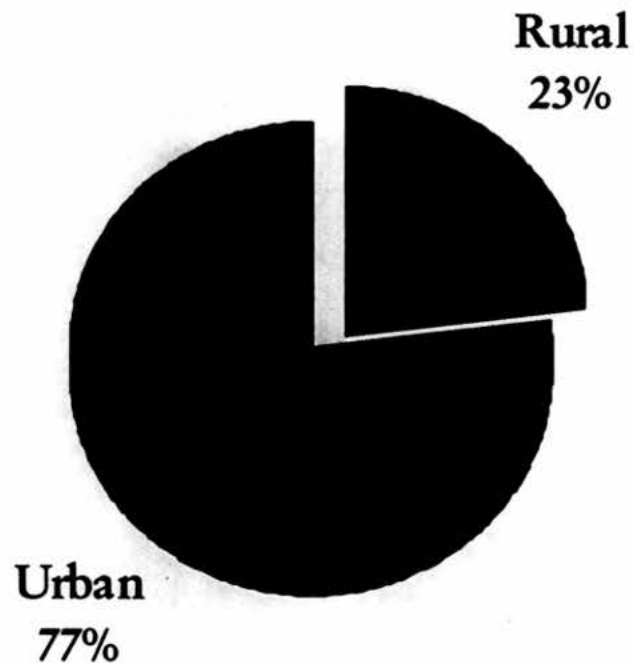
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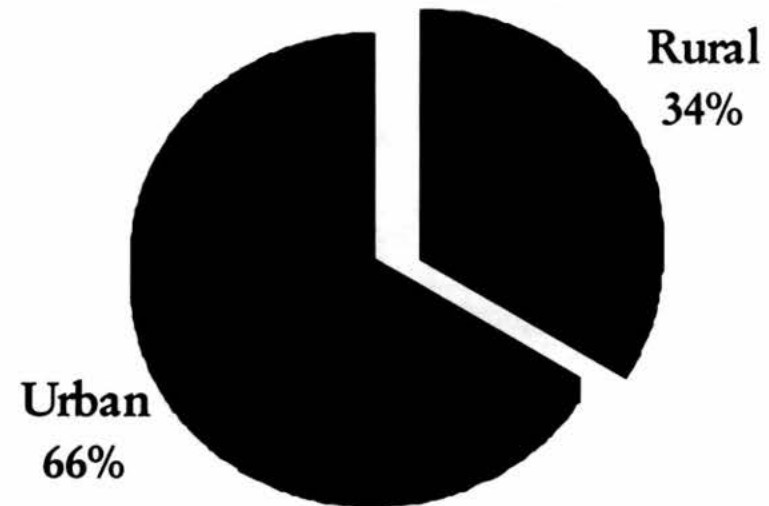
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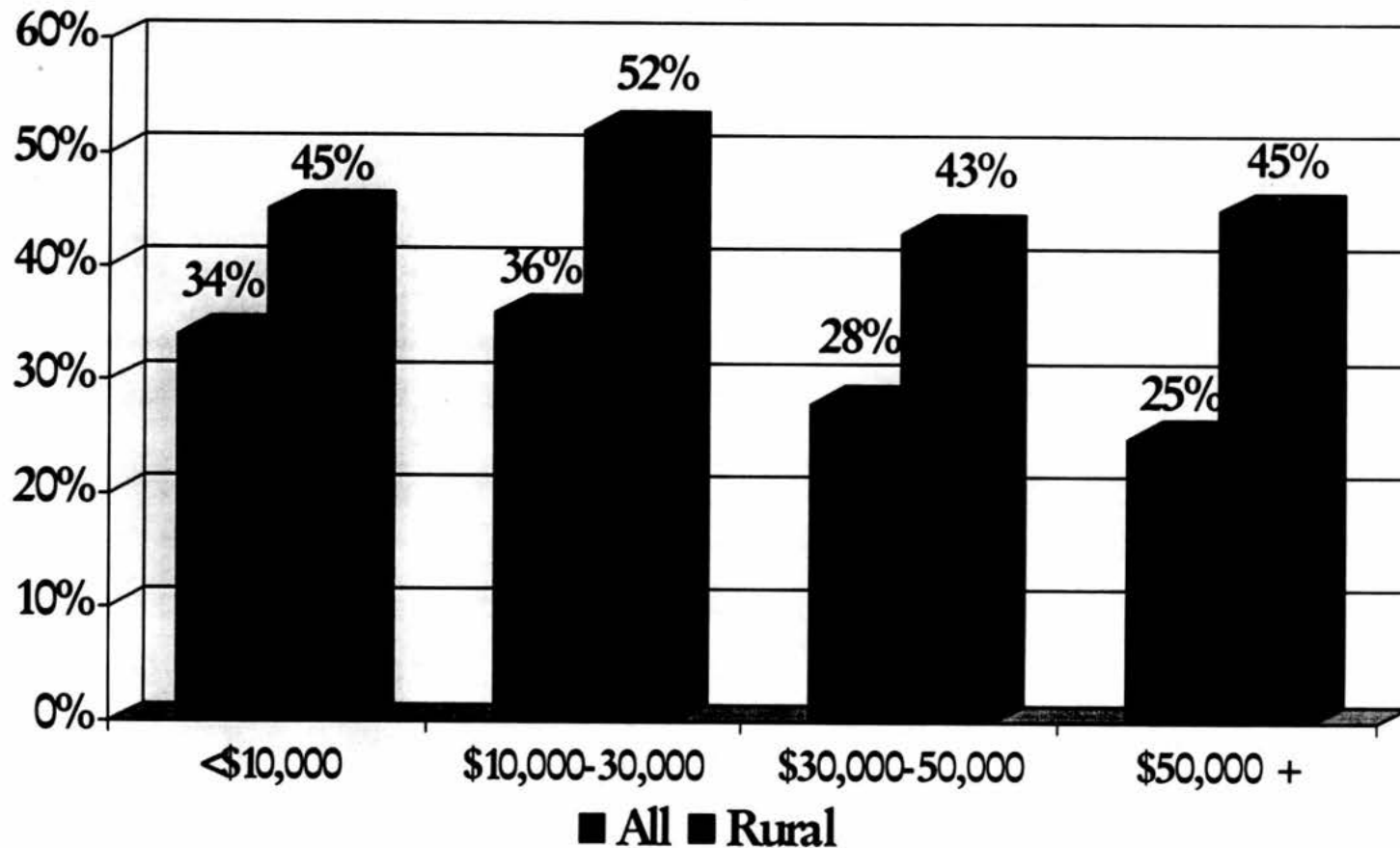
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A: The President made clear he was speaking in jest only and was simply having fun.

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Q: At one point you championed "practical idealism," then "stand by me" and "new horizon". If George Bush's slogan is "compassionate conservatism", what's your campaign slogan?

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A: My focus is on the concerns I'm hearing from America's families and how we can work together as a nation to meet the challenges ahead -- from improving schools to expanding our prosperity and protecting our children from guns and drugs.

And I can tell you this -- what will ultimately determine this election will be the power of ideas that address these concerns.

Q: How will your administration be different from President Clinton's?

A: I think the 21st century will hold different challenges that we as a country need to address. Families now face different challenges and new pressures. In 1992, our focus was the economy -- unemployment was running high; welfare was becoming a way of life, not a way out; the thought of a balanced budget seemed like a dream, let alone talk of a surplus.

We got America back on its feet. Now we can reach higher to make America not just better off, but better.

Q: What's your response to GW's statement that you no more invented prosperity than you invented the Internet?

A: First of all, the American people -- the working men and women out there in America who are working for their children's education and for a better future for themselves -- they are the key to this country's economic success. And they know that if we're going to expand the prosperity and keep growing our economy, we've got to keep moving forward with the kinds of economic policies that our Administration has brought to the country.

We've got to continue to be fiscally responsible and balance the budget – or better – every year. We need to increase our investments in efforts that create economic growth, such as education, technology, and research; We need to continue to streamline government, reducing its size and eliminating red tape; and we need to work to open new markets by expanding free and fair trade.

That's how we've erased a record-high deficit and replaced it with a record-high surplus.

Americans remember what it was like before. They know the economic policies of the Republican Party were wrong for America. We don't want to go back to high unemployment, stagnant wages, and limited opportunity. I want America to keep moving forward.

Q: Are you concerned at all about the massive amount of money GW has managed to raise?

A: Ultimately what decides elections isn't money but ideas. I will continue to focus on the issues the American people care about: the need to help and strengthen our families, the education of our children, and protecting our families from crime.

Q: Aren't you concerned that Mrs. Clinton senate campaign will damage your own Presidential campaign for 2000?

A: I think Mrs. Clinton is one of the most accomplished and committed people I have ever met in my entire life. I think she has much to contribute and I think she will galvanize Democratic voters and make a great Senator for the state of New York.

Q: You recently named Carter Eskew as one of you senior media advisers, the consultant hired by the tobacco industry to kill the Administration-backed anti-smoking bill. Given the remarks you've made on tobacco, and you sister's death due to cancer from smoking, isn't this hypocritical on your part?

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Q: Why do you want to be President of the United States? What are the biggest challenges facing America at home?

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I want to ensure that our economy is strong and prosperity is expanding for all our families. I want to make sure America is a place of opportunity, where our children get a

great education and our families grow stronger because our policies are improving the quality of our lives. I want to make sure America connects the wisdom and values we learned from our parents and from our own experience to the extraordinary opportunities we want for all our children and grandchildren. We face new challenges in the news century and we need to be ready to meet those challenges.

As President, I will bring revolutionary change to our public schools so every child gets the education they need to succeed. I want every exhausted parent, fighting to balance work and family without enough hours in the day, to know we're on their side, working hard to help them strengthen their families and spend more time with their kids. I want to create an America where neighbors are looking out for each other in communities with clean air and water, and parks and playgrounds for their children; an America where Social Security and Medicare are safe for every generation; and an America where our nation's justice system is tougher on criminals and better for our country's families. We are a great nation. We can build an America that makes our country's families not just better off, but better, in every way. That's why I'm running for President.

Q: What will or can you do as President to keep the prosperity going?

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And I will see to it that America maintains its role as a world leader in global economic growth.

And I feel we must spend in a fiscally responsible way. Ensuring that our country continues on the path we've laid out, one of fiscal discipline and targeted spending, is one of the highest priorities for me.

Q: Why have you focused less on environmental issues? Will you make global warming an issue in the campaign?

A: The environment will be an important issue in this campaign, including the issue of global warming. I continue to talk about why it's so important to our families and our future to have clean air and clean water, to protect open spaces and parks, to reduce pollution because that helps increase profits and strengthen our economy.

Q: Do you think the President is still worried about your campaign? What role does he play in your organization?

A: I know I have the full faith and confidence of my friend, the President. I feel great about where my campaign is. I've been out there talking about issues that are important to America's families, like creating revolutionary change in education, providing a role for our churches and synagogues and other religious organizations in helping solve some of our most difficult problems, and making fundamental changes to our nation's judicial system so that it is tougher on criminals and better for American families. I can see that people are responding positively from their reactions during these campaign stops and I'm going to continue talking about these issues throughout this campaign.

Medicare Event

Location

Tuesday July 27, 1999, 11:30 am
SC-5, United States Capitol

Event requested by Laura Quinn

Briefing prepared by Sarah Bianchi

Phone: (202) 456-5585

EVENT

This event is a press conference with Representative Gephardt, Senator Daschle and other Democrats on the Capitol Hill to urge the Republican leadership to reconsider using the entire surplus for risky tax cuts rather than investing in Medicare. Earlier in the morning the President and the First Lady are participating in an event at the White House also advocating dedicating a portion of the surplus for Medicare and underscoring the importance of Medicare for women.

LOGISTICS

- Following your meeting with the Congressional Hispanic Caucus you go to SC-5;
- Senator Daschle opens the press conference and introduces Representative Gephardt;
- Representative Gephardt speaks and introduces you;
- You speak.

YOUR ROLE and CONTRIBUTION

This event provides an opportunity for you to:

- (1) Underscore your views in the tax debate this week by urging Republicans who want to spend the entire surplus on tax cuts to reconsider these risky proposals that undermine prosperity and do not dedicate one dime to the Medicare program;
- (2) Highlight the importance of the Administration's proposal to extend the life of the Medicare Trust Fund and the need for a long overdue Medicare prescription drug benefit, and unveil new statistics that underscore the particular importance of this in rural America; and
- (3) Join Democrats in a united call for avoiding risky tax cuts and dedicating some of the surplus to Medicare. Earlier in the morning the President and First Lady are also participating in an event at the White House that highlights the importance of Medicare to women. You can also amplify this message that is similar to an event you did on Medicare and older women with the Older Women's League Medicare earlier this spring.

ATTACHMENTS

- Background on policy and message;
- Background on Medicare and rural beneficiaries;
- Highlights of the facts on Medicare and women unveiled earlier at the White House.
- General Q&A (*provided by your press office*)

BACKGROUND OF GENERAL MEDICARE POLICY AND MESSAGE

Today you are:

Underscoring that the Clinton/Gore Plan Strengthens Medicare for a Quarter Century and Provides a Long Overdue Critical Prescription Drug Benefit. You are highlighting that the Administration's proposal would:

- **Extend Medicare solvency until 2027.** The Administration's proposal dedicates \$374 billion to Medicare most of which helps extend the life of the Medicare Trust Fund and makes Medicare more efficient and competitive.
- **Reduce the public debt.** By locking away most of the surplus dedicated to Medicare, the Administration's proposal buys down the debt which helps boost national savings, leading to lower interest rates and a higher standard of living. Under the Administration's framework, the public debt will be eliminated by 2015.
- **Provide a much-needed prescription drug benefit.** Seventy-five percent of Medicare beneficiaries have unstable or inadequate prescription drug coverage. The Administration is proposing a new prescription drug option that is available for all Medicare beneficiaries.
- **Eliminate the deductible and all copayments on all preventive benefits covered by Medicare,** including benefits to prevent and detect osteoporosis, all cancer screenings, and diabetes.

Highlighting that the Republican Plan Makes No Commitment to Medicare. The Republican proposals invest nearly the entire surplus in tax cuts and do not invest at all in Medicare. Instead they support proposals that undermine the Medicare program. They:

- **Raise traditional Medicare premiums** through a new premium support proposal which mostly produces savings by raising premiums for traditional Medicare.
- **Do not dedicate one dime of the surplus to strengthen Medicare.** Independent analysts agree that the retirement of the baby boomers will require additional revenues to adequately finance the Medicare program for the next generation. Without this investment, Medicare would have to grow at a rate at 60 percent below the per capita growth rate projected for the private sector.
- **Reduce provider payments excessively and have no relief for providers in need today.** The Republican proposals extend most of the Balanced Budget Act (BBA) policies that save by reducing provider payments. They also do not include any financing to ease providers who have been excessively cut by the BBA that need some immediate relief.

- **Raise age eligibility to 67**, which would increase the number of uninsured Americans.
- **Impose new copayments for home care and nursing homes** that cause higher out-of-pocket costs for some of the most vulnerable Medicare beneficiaries.

MEDICARE BENEFICIARIES IN RURAL AMERICA HAVE A GREATER NEED FOR A PRESCRIPTION DRUG BENEFIT. You are also unveiling new facts that underscore the need for the Administration's proposed prescription drug benefit for Medicare beneficiaries in rural America.

Nearly One in Four Medicare Beneficiaries Live in Rural America. Of the forty million Medicare beneficiaries, over nine million live in rural America.

One in Three Medicare Beneficiaries Without Prescription Drug Coverage Live in Rural America.

- **There are thirteen million Medicare beneficiaries without prescription drug coverage.**
- **One-third – approximately 4.5 million -- of these Medicare beneficiaries live in rural America.**

Rural Beneficiaries Are More Likely to Lack Medicare Prescription Drug Coverage.

- **Nearly fifty percent of rural Medicare beneficiaries lack prescription drug coverage.** Thirty-four percent of all Medicare beneficiaries lack coverage.

Rural Beneficiaries are Less Likely to Have Prescription Drug Coverage Across All Income Groups.

- **Forty-five percent of Medicare beneficiaries with incomes above \$50,000 lack prescription drug coverage** whereas only 25 percent of Medicare beneficiaries across the country in this same income category lack prescription drug coverage.
- **Forty-three percent of Medicare beneficiaries with incomes between \$30,000 and \$50,000 lack prescription drug coverage** whereas only 28 percent of all Medicare beneficiaries in this same income category across the country lack coverage.
- **Fifty-two percent of Medicare beneficiaries with incomes between \$10,000 and \$30,000 lack prescription drug coverage** whereas only 36 percent of all Medicare beneficiaries in this same income category lack coverage.
- **Forty-five percent of beneficiaries with incomes below \$10,000 lack prescription drug coverage** whereas 34 percent of all Medicare beneficiaries in this same income category lack coverage.

These Trends Are Explained By Insufficient Medicare Managed Care, Retiree Health Plans, and Medigap Plans in Rural Areas.

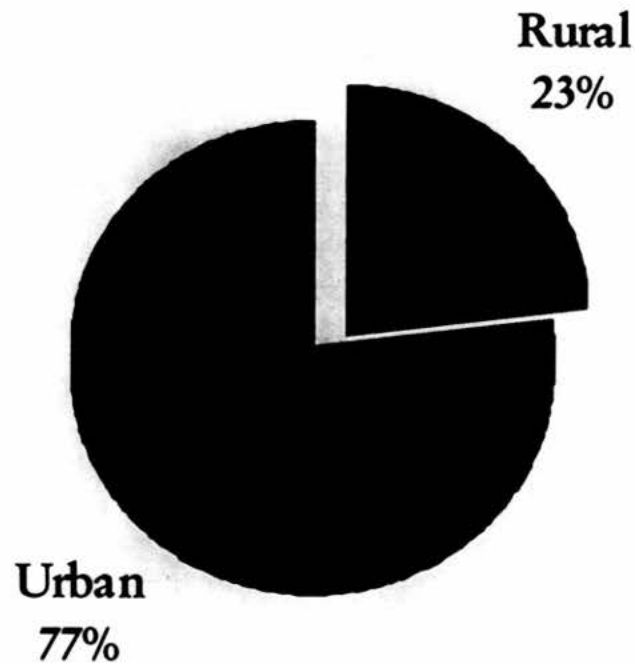
- Many Medicare Managed Care plans, which often offer prescription drug coverage, are not available rural areas and beneficiaries only have access to traditional Medicare, which does not cover prescription drugs. In fact, nearly three out of four Medicare beneficiaries in rural areas do not have access to Medicare managed care plans at all.
- Rural Medicare beneficiaries are less to likely have jobs that offer retiree health plans that often offer prescription drug coverage (since such coverage is typically associated with large firms).

Millions More Rural Americans Have Insufficient Drug Coverage.

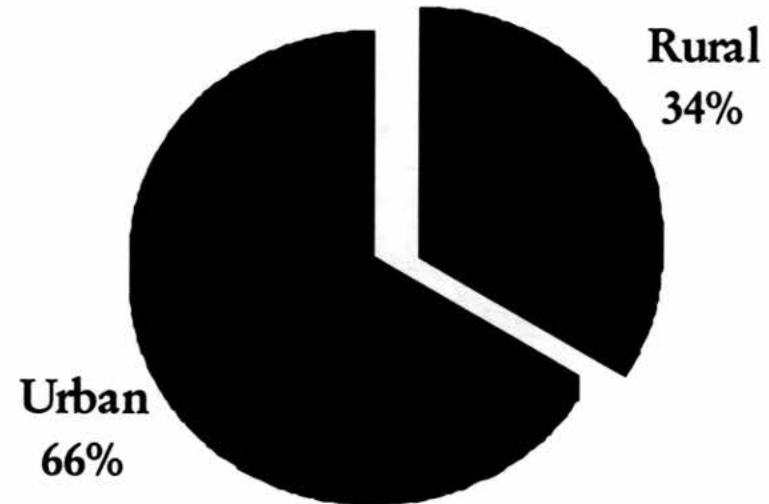
- Medigap plans are often the only option for supplemental coverage in rural areas. Medigap premiums vary widely throughout the nation but are consistently two to three times higher than the Medicare premium proposed by the Administration. Moreover, unlike the Administration's proposal, premiums for Medigap plan substantially increase with age due to "age rating."

One In Three Beneficiaries Without Prescription Drug Coverage Lives In Rural America

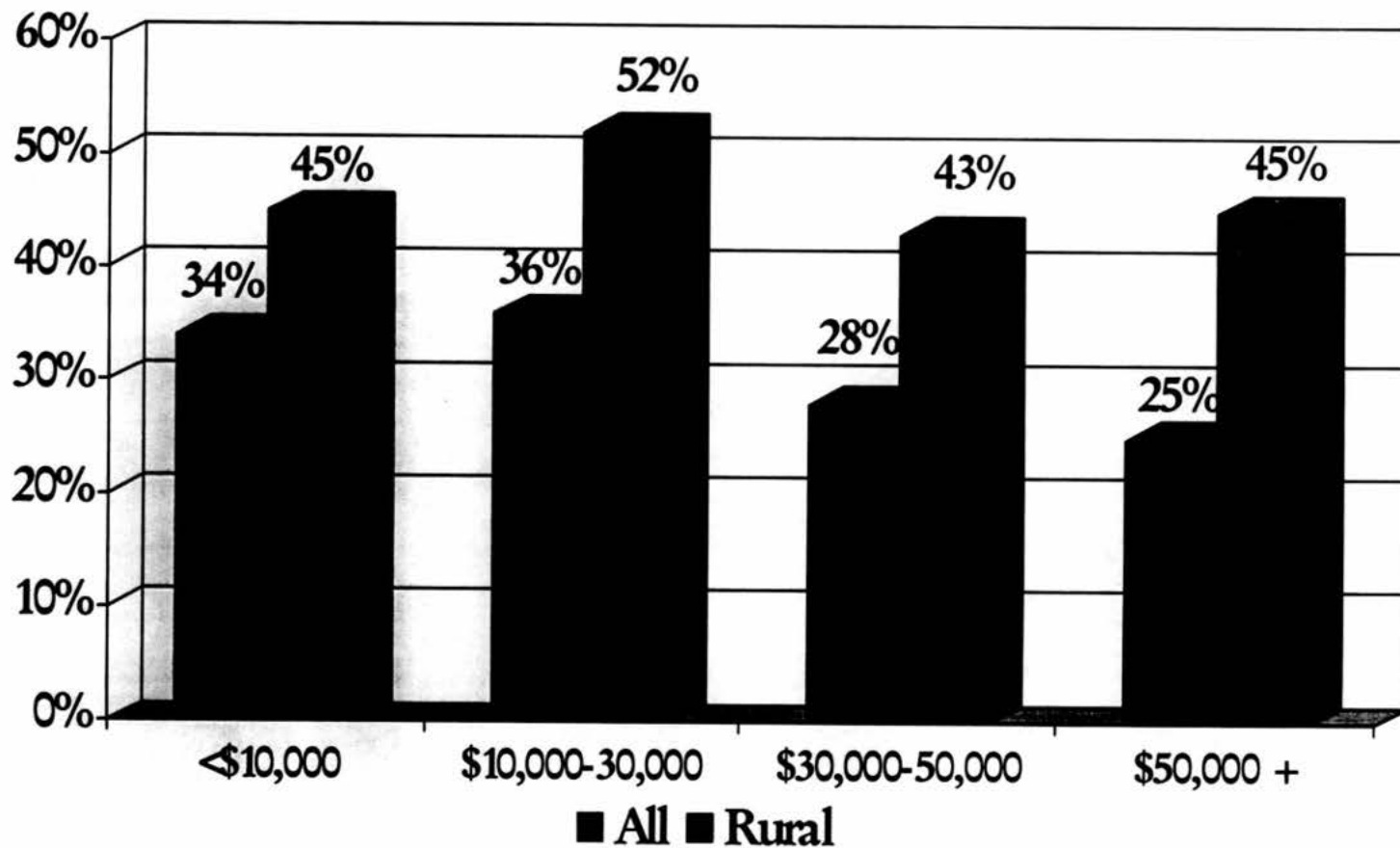
All Medicare Beneficiaries



Medicare Beneficiaries Without Prescription Drug Coverage



Rural Beneficiaries Are Less Likely To Have Prescription Drug Coverage Across All Income Groups



HIGHLIGHTS OF STATS ON MEDICARE AND WOMEN THAT THE PRESIDENT AND FIRST LADY RELEASED EARLIER TODAY

Earlier today at a White House event, the President and the First Lady joined the Older Women's League (OWL) in releasing a new report entitled "*Medicare: Why Women Care*," which documents the need to strengthen and modernize Medicare and describes the importance of Medicare to women. This report, that is similar to the one you unveiled with OWL in May, has key findings including:

MEDICARE, A SOURCE OF FINANCIAL AND HEALTH CARE SECURITY FOR OLDER WOMEN, IS AT RISK.

- **Most elderly Americans covered by Medicare are women.** Twenty out of the 34 million elderly Americans covered by Medicare are women, who comprise nearly 3 out of 5 older Americans.
- **Women in the baby boom generation will not be able to count on Medicare.** Most women turning 65 today are expected to live through 2018, while the Medicare Trust Fund is expected to expire in 2015. Medicare solvency would have to be extended to 2028 to be viable through the retirement of the entire baby boom generation.
- **Women have greater health care needs and lower incomes.** About 73 percent of older women have two or more chronic illnesses compared to 65 percent of men. Women also have lower incomes than men, and seven out of 10 Medicare beneficiaries living below poverty are women.

WOMEN FACE GREATER COST BURDENS – AND BARRIERS TO HEALTH CARE – BECAUSE OF MEDICARE BENEFIT LIMITATIONS. As important as Medicare coverage is to women, its benefits are outdated.

- **Higher out-of-pocket health spending.** Women on Medicare pay 22 percent of their income on health care compared to 17 percent for men. Lower income women pay an even greater share of their limited incomes – 53 percent for the poorest.
- **About 7.3 million women on Medicare have no coverage to help pay for their prescription drug costs.** Half of these women without drug coverage have income above 150 percent of poverty, underscoring the importance of drug coverage for people of all age groups.
- **Out-of-pocket payments for preventive services also constitute a barrier to health.** In the first two years that Medicare covered mammography, just 14 percent of women without supplemental insurance had this screening. In 1993, only 37 percent of Medicare beneficiaries without supplemental insurance had Pap smears, compared with 59 percent of women who had supplemental insurance.

**POLITICAL
Q&A**

Q: Recent reports suggest you are shifting your campaign focus to a contrast between yourself and Republican Governor George Bush, presenting yourself as a man of ideas and Bush as a man of money. Are you?

A: My focus has always been on MY campaign and the dialogue I'm having with Americans on the issues that are important to them and their families.

I'm energized by the response I'm getting and grateful for the support I'm getting from hard-working Americans all across the country.

They agree we need revolutionary change to improve our public schools, safe communities where neighbors are looking out for each other and their kids; an America where Social Security and Medicare are safe for every generation; and where our nation's justice system is tougher on criminals and better for our country's families.

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Q: President Clinton recently made light of George W. Bush's slogan "compassionate conservatism". Did you find these remarks helpful? Do you encourage them?

A: The President made clear he was speaking in jest only and was simply having fun.

But he also made clear -- and I agree with him -- that the most important thing the candidates can do at this stage is talk about what they'd do if elected, what their vision is for America in the century to come. That's where my focus is: the issues of importance to Americans and their families.

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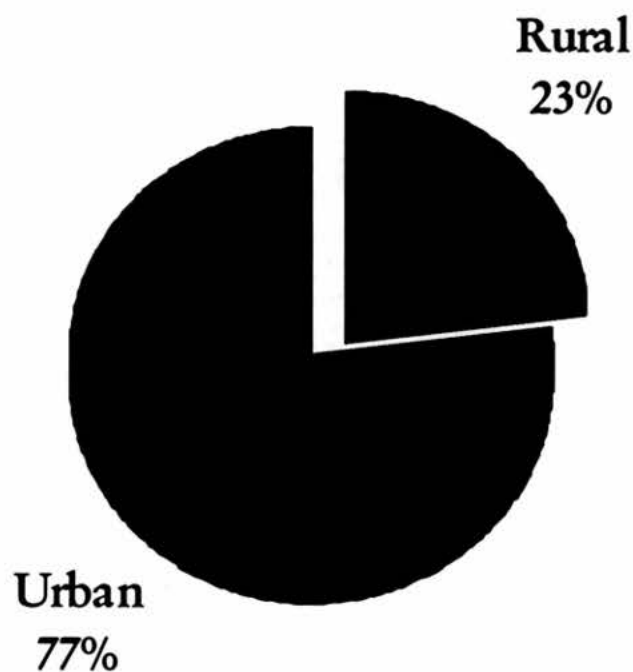
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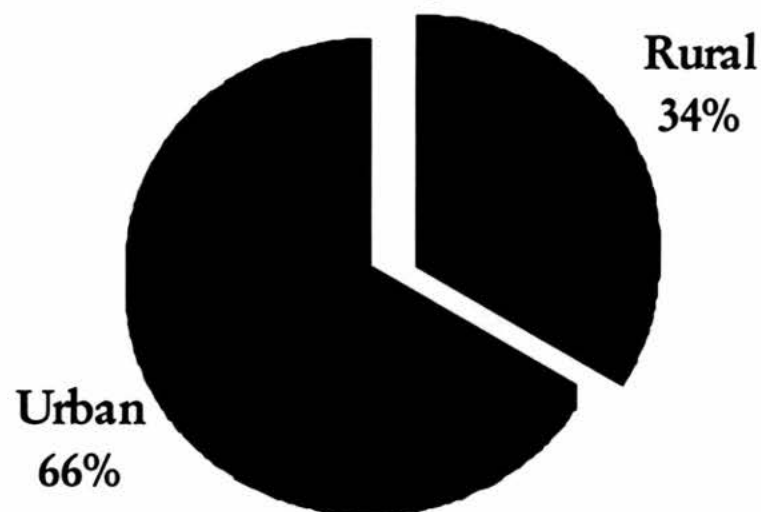
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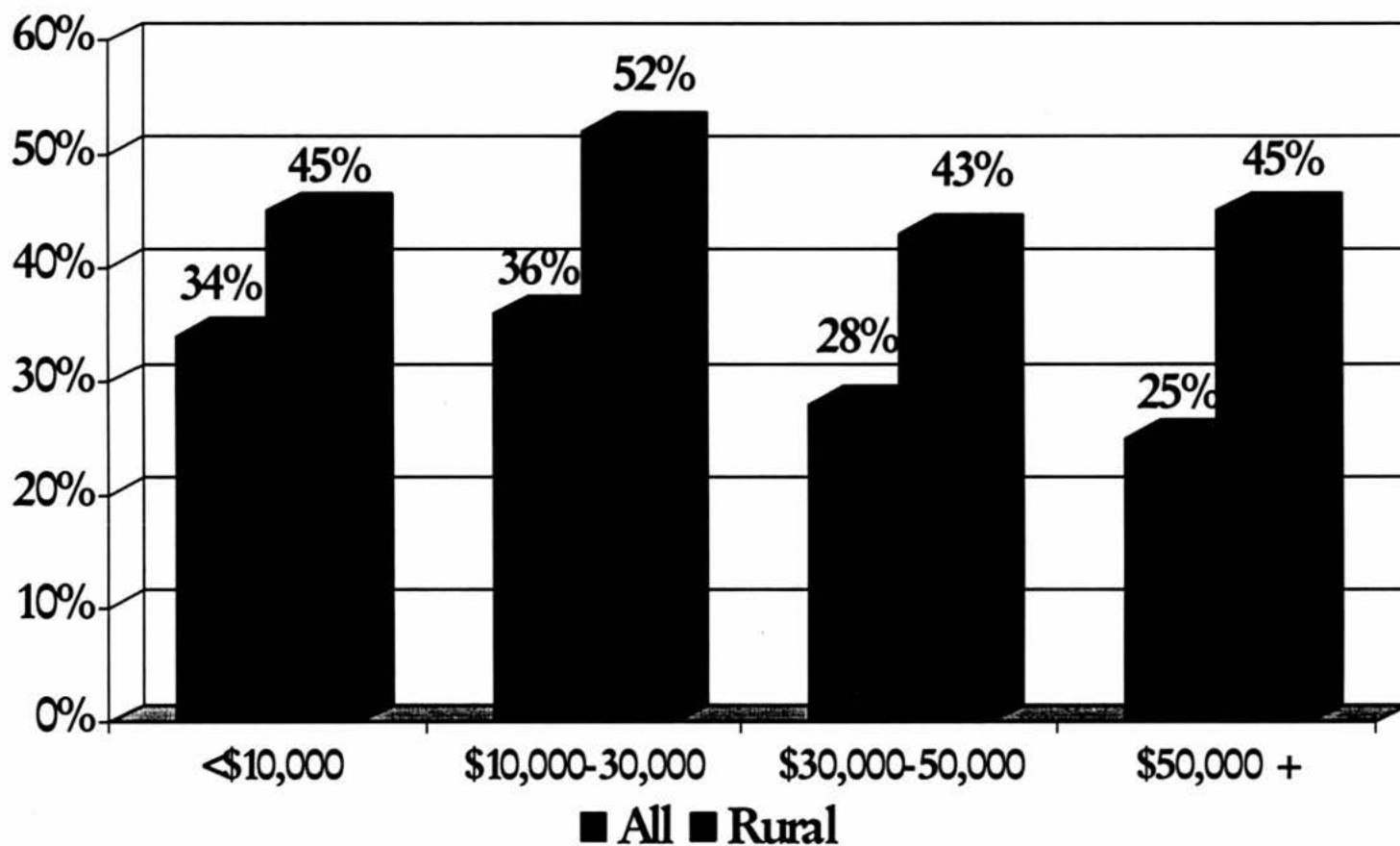
All Medicare Beneficiaries



Medicare Beneficiaries Without Prescription Drug Coverage

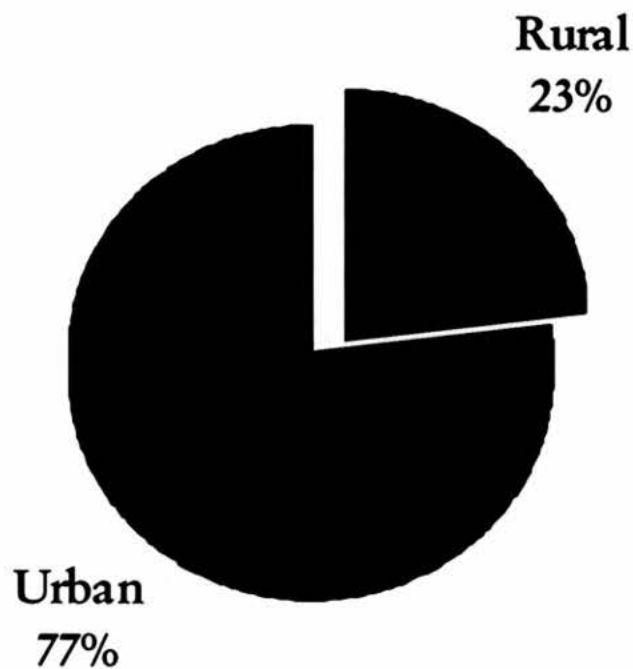


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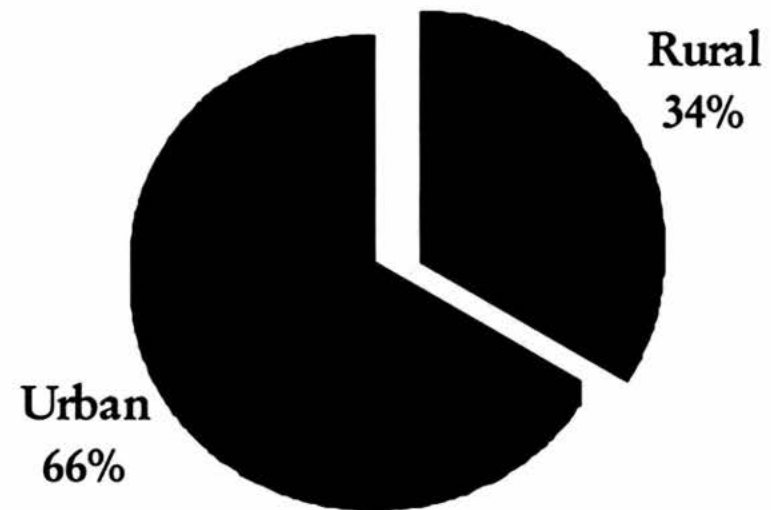


One In Three Beneficiaries Without Prescription Drug Coverage Lives In Rural America

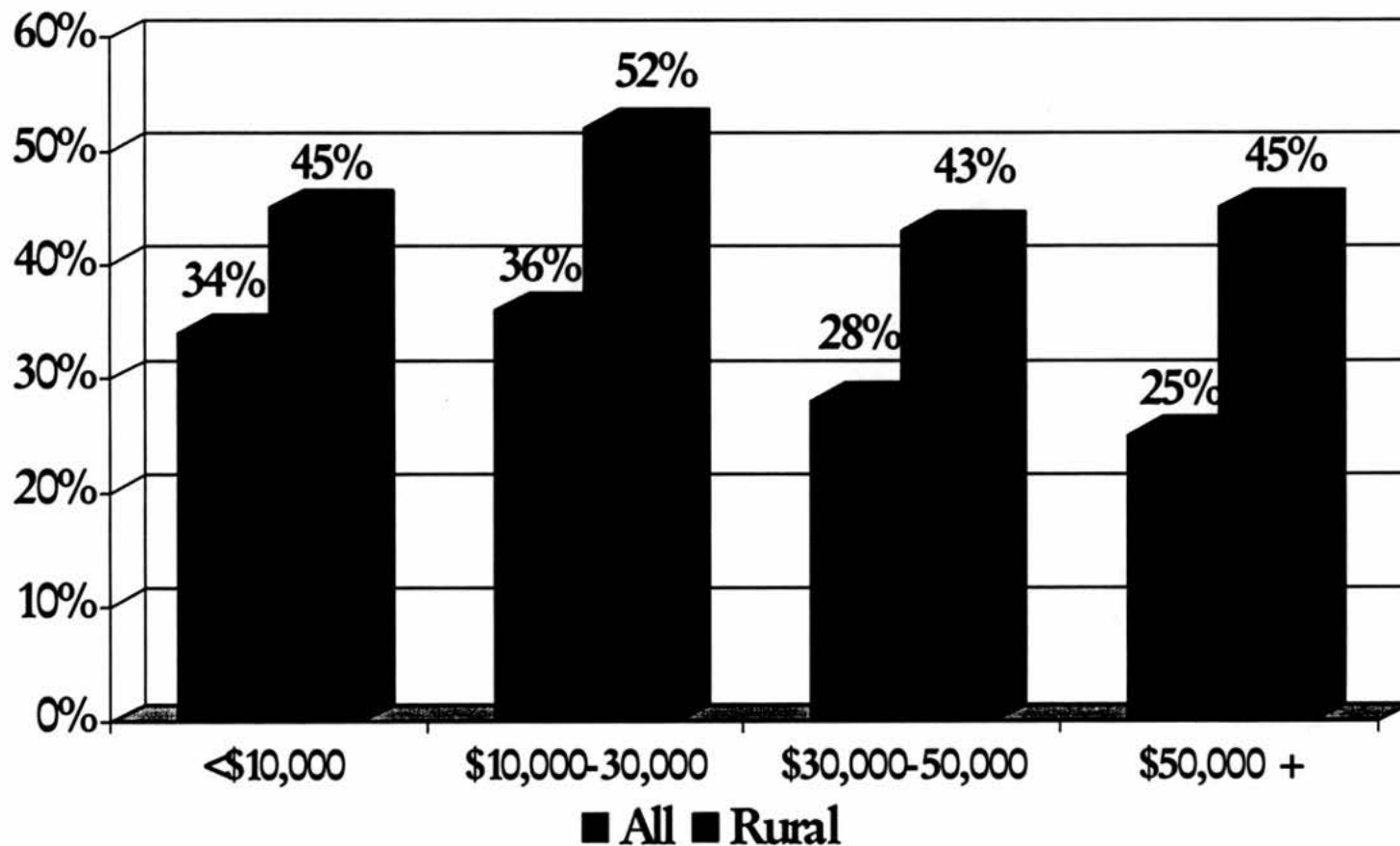
All Medicare Beneficiaries



Medicare Beneficiaries Without Prescription Drug Coverage



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Devorah R. Adler@EOP
07/26/99 08:51:11 PM

Record Type: Record

To: Sarah A. Bianchi/OVP@OVP

cc:

Subject: AP story on medicare

----- Forwarded by Devorah R. Adler/OPD/EOP on 07/26/99 08:51 PM -----



Jeanne Lambrew
07/26/99 08:50:32 PM

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Clinton Urges Women to Nix Tax Cut

By Alice Ann Love
Associated Press Writer
Monday, July 26, 1999; 7:39 p.m. EDT

WASHINGTON (AP) -- The Clinton administration is planning an appeal to women in its effort to rally opposition to the big tax cut Republicans are trying to push through Congress, saying women could be hurt more than men if government surpluses aren't available to bolster Medicare.

"Congress and the American public face an important decision: to invest in a stronger Medicare program for our mothers and grandmothers or give away the entire surplus on a risky and irresponsible tax scheme," says an administration document describing the message President Clinton and first lady Hillary Rodham Clinton hope to get across at a White House event scheduled for Tuesday.

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The study also found that elderly women spend an average of 20 percent more on prescription drugs than men -- something Medicare doesn't cover, although the administration says it should.

Vice President Al Gore, a contender for the 2000 Democratic presidential nomination, is expected to tout the statistics about women and Medicare at a separate rally against GOP tax cuts with Democratic leaders on Capitol Hill Tuesday.

The Democrats are also expected to single out Americans living in rural areas in their pitch. Gore plans to take along administration figures showing that nearly half of senior citizens in rural areas lack health insurance covering prescription drugs, compared to about a third of all retirees nationally.

The administration has proposed, and congressional Democrats are backing, new universal Medicare coverage for prescription drugs -- at a 10-year cost of \$118 billion to taxpayers.

To pay for the new benefit and buttress Medicare against the coming wave of baby boom retirements, Clinton wants to use \$794 billion of the federal budget surpluses projected over the next 15 years.

Republican leaders also have endorsed the idea of a Medicare overhaul and new drug benefits. But they are trying to earmark much of the future surplus for a tax cut costing \$792 billion over 10 years.

Clinton has promised to veto the GOP tax cut, which passed the House last week and is scheduled for consideration on the Senate floor this week, ensuring that the two parties will have to work out a compromise later this year.

But in the meantime, the two political parties are competing to exploit debate over the surplus as a symbol of their different visions for the country leading up to the 2000 elections.

Women are expected to play a pivotal role in those elections, and Gore wants to inherit the support Clinton has enjoyed among them. Clinton's focus on family issues helped him win the women's vote 55 percent to 37 percent in 1996.

The study showing women's disproportionate reliance on Medicare was conducted by the Older Women's League.

"Medicare is a women's health plan," said OWL's executive director, Deborah Briceland-Betts.

Three out of five Medicare beneficiaries are women. Among the oldest participants in the program, the study found, women comprise an even greater share: 71 percent of those over age 85, and 83 percent of those over age 100.

Women also have a greater financial need for help paying medical bills in old age. Seven in 10 of the nation's retirees living in poverty are women.

And women, who are also more likely to have chronic illnesses, spend 22 percent of their old-age incomes on health care, compared with 17 percent for men.

On prescription drugs alone, the study estimates, elderly women will spend an average \$1,200 on in the year 2000, compared with \$1,000 for men.



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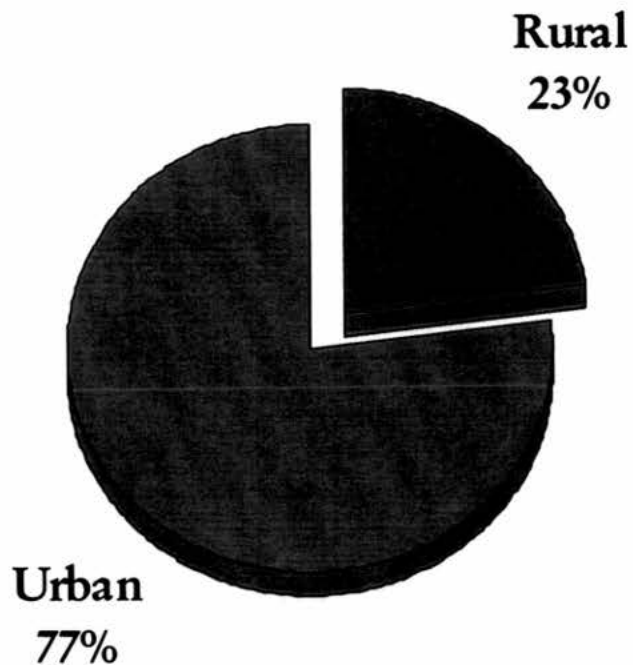
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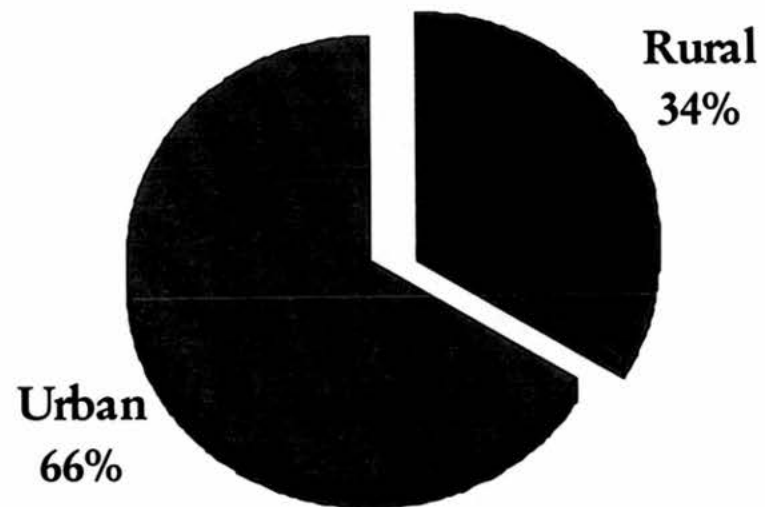
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One In Three Beneficiaries Without Prescription Drug Coverage Lives In Rural America

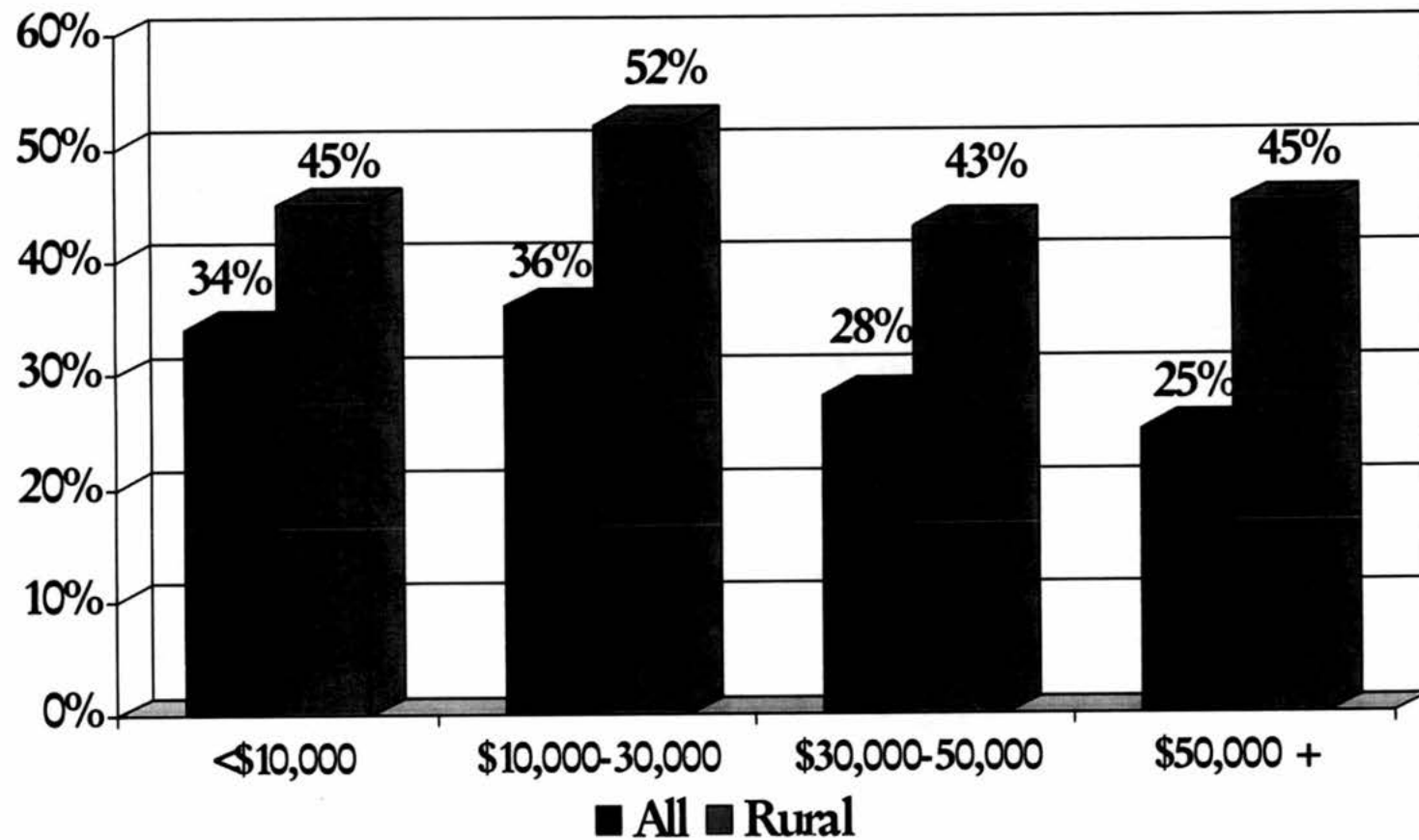
All Medicare Beneficiaries



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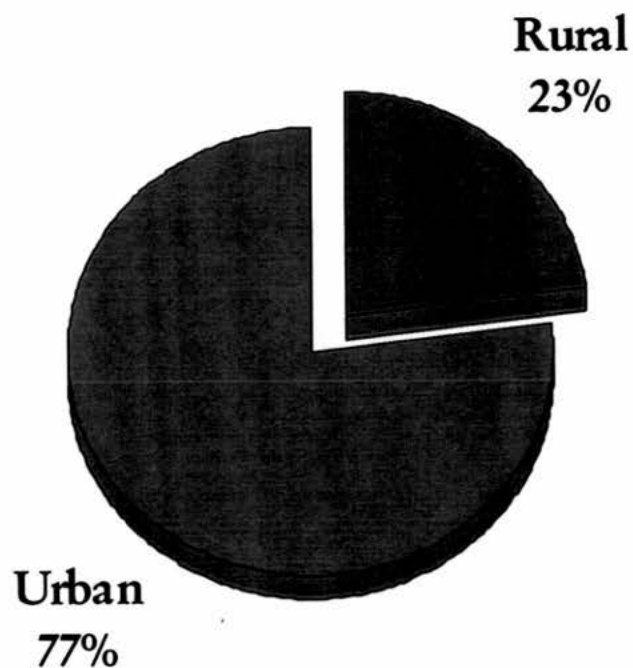


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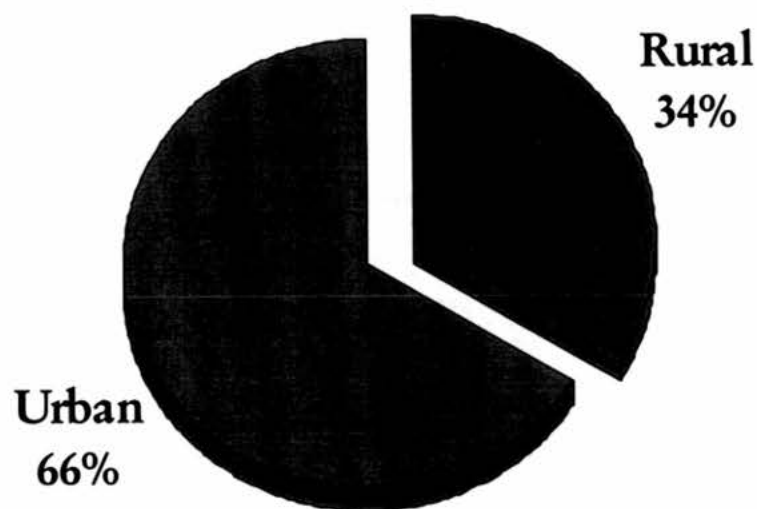


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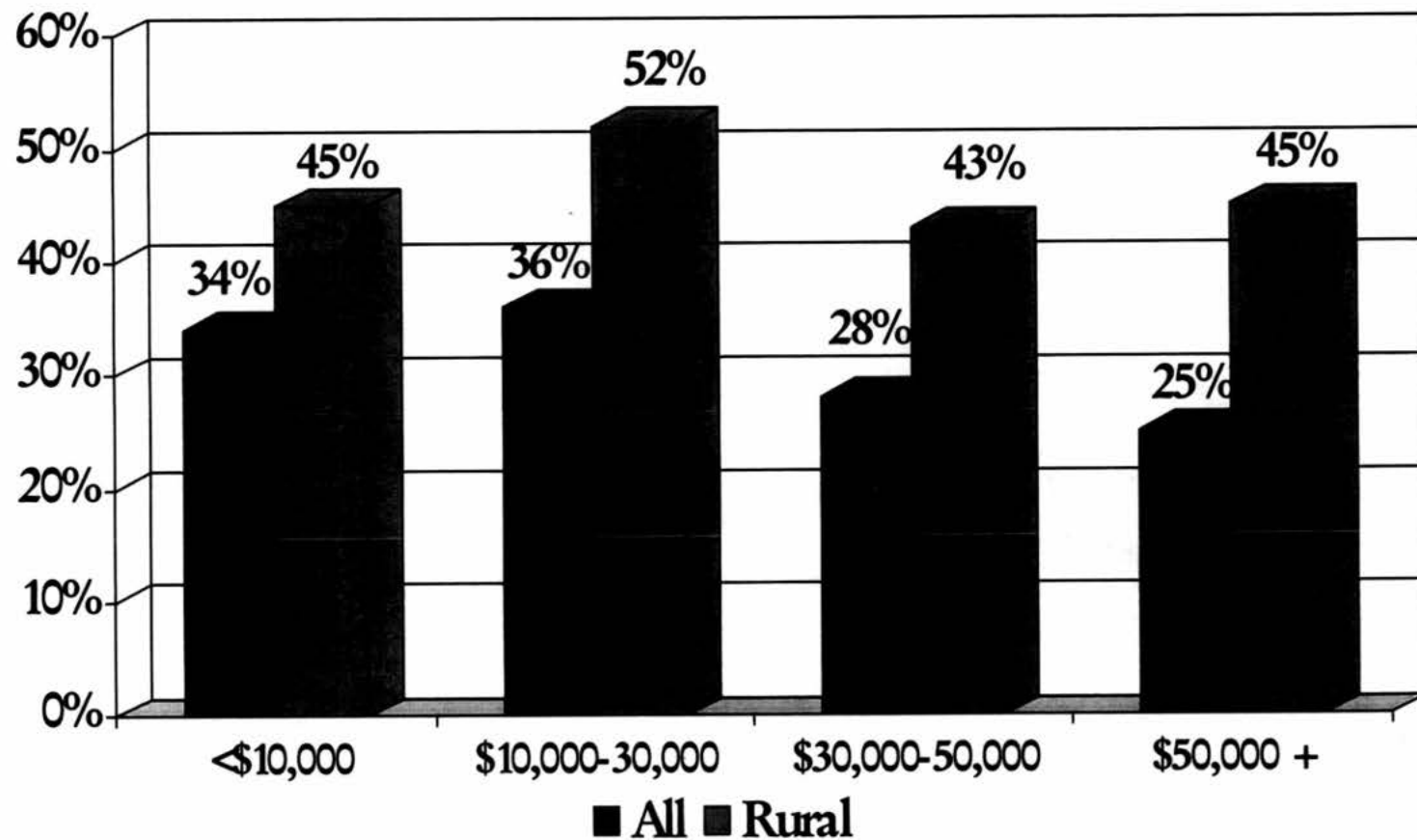
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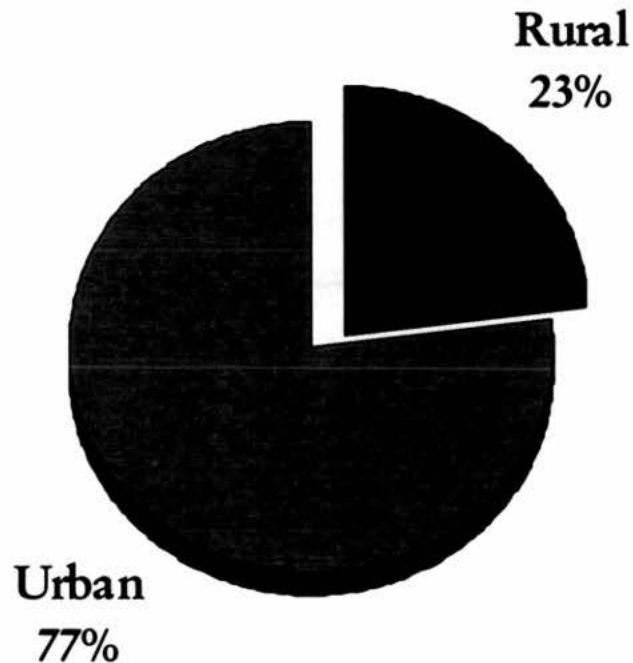


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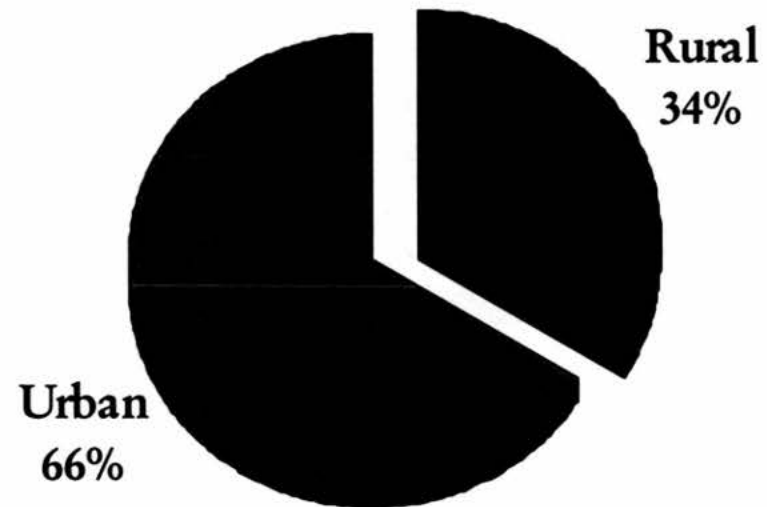


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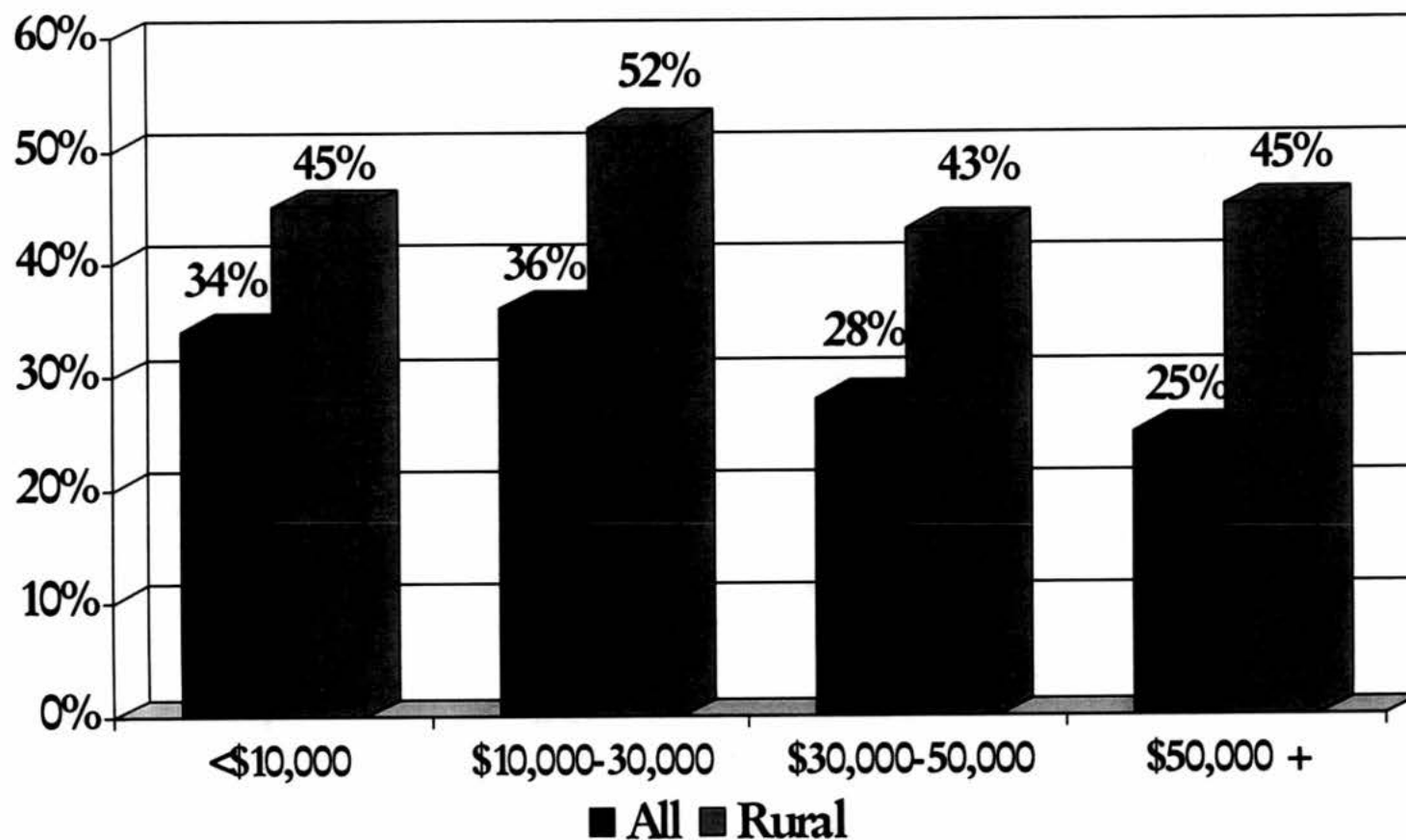
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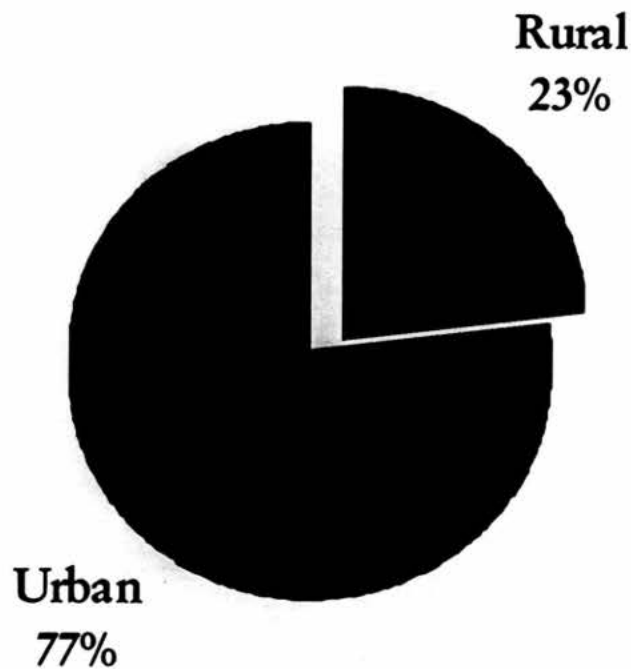


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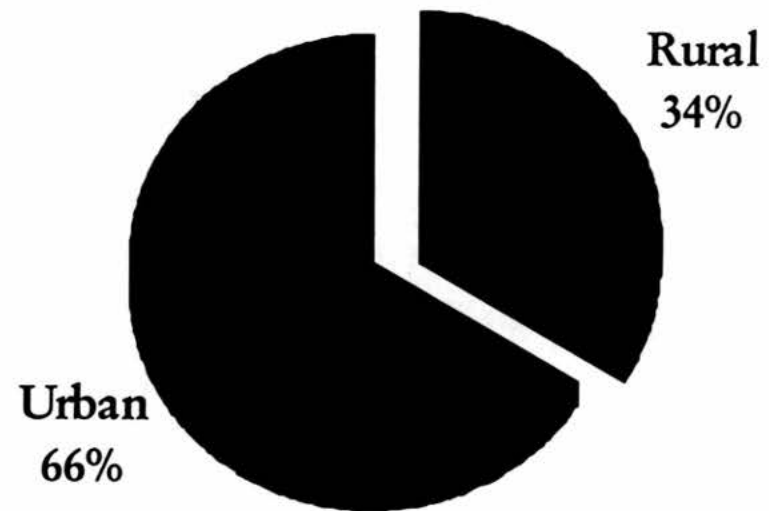


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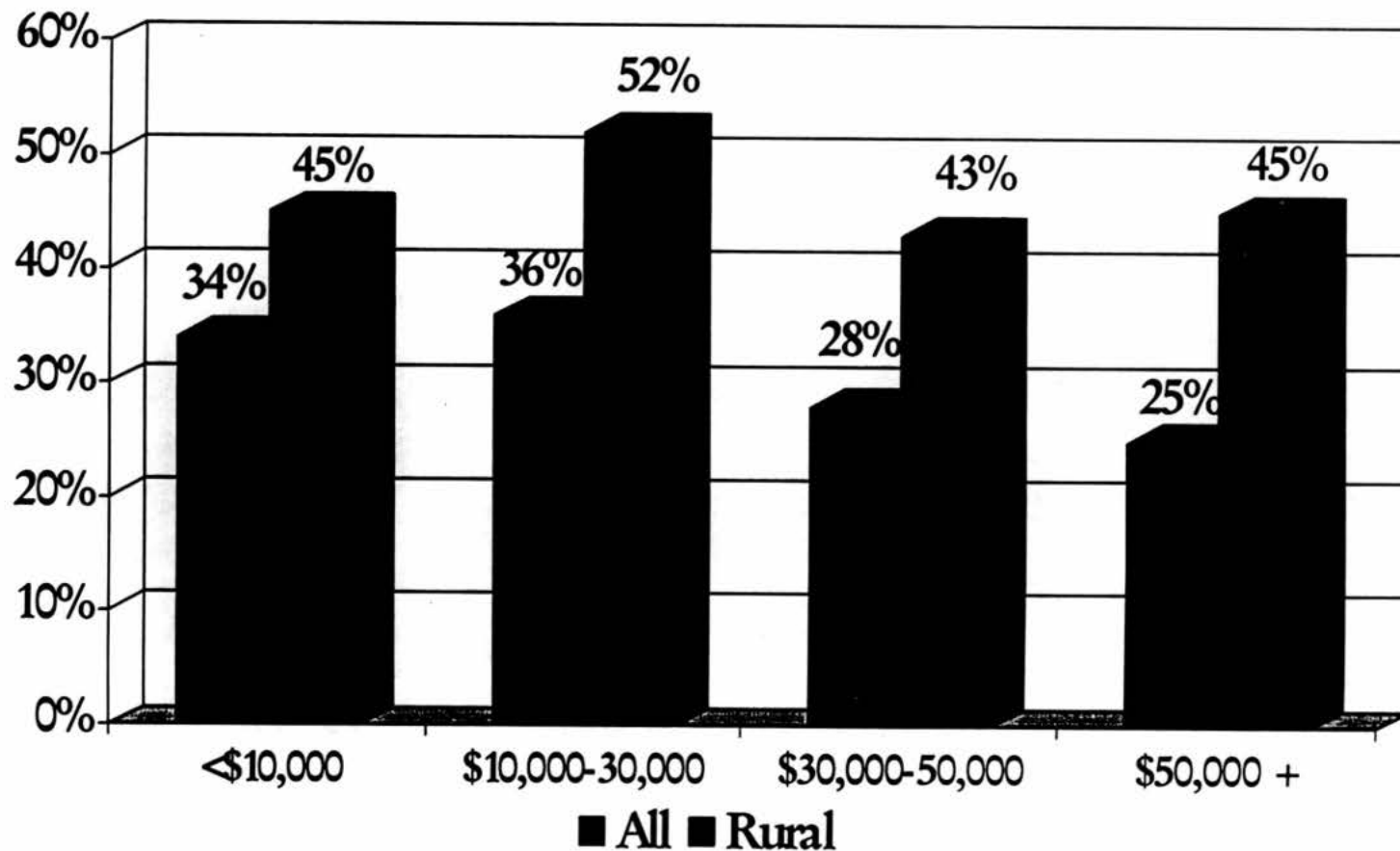
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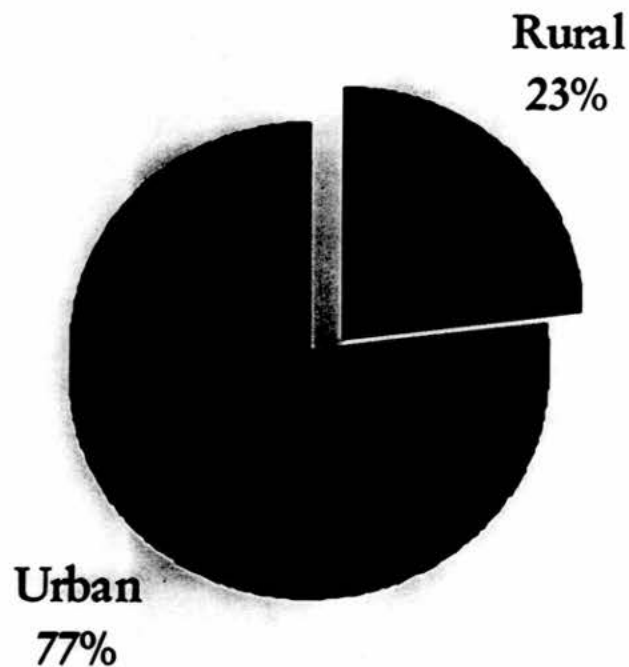


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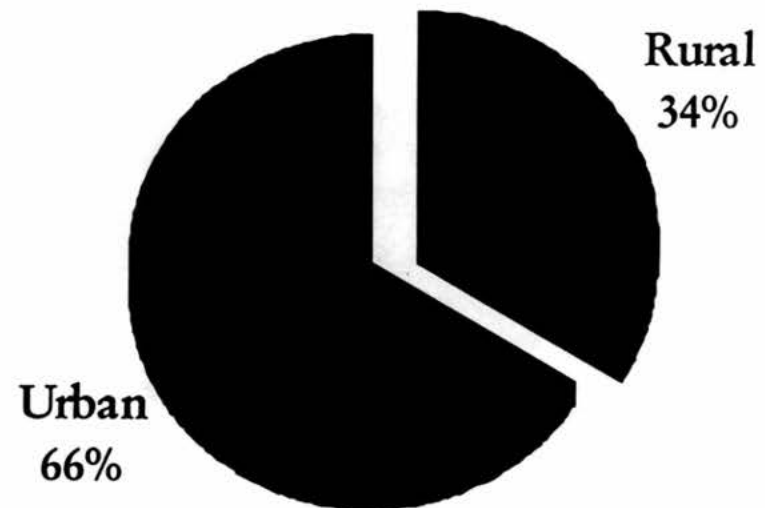


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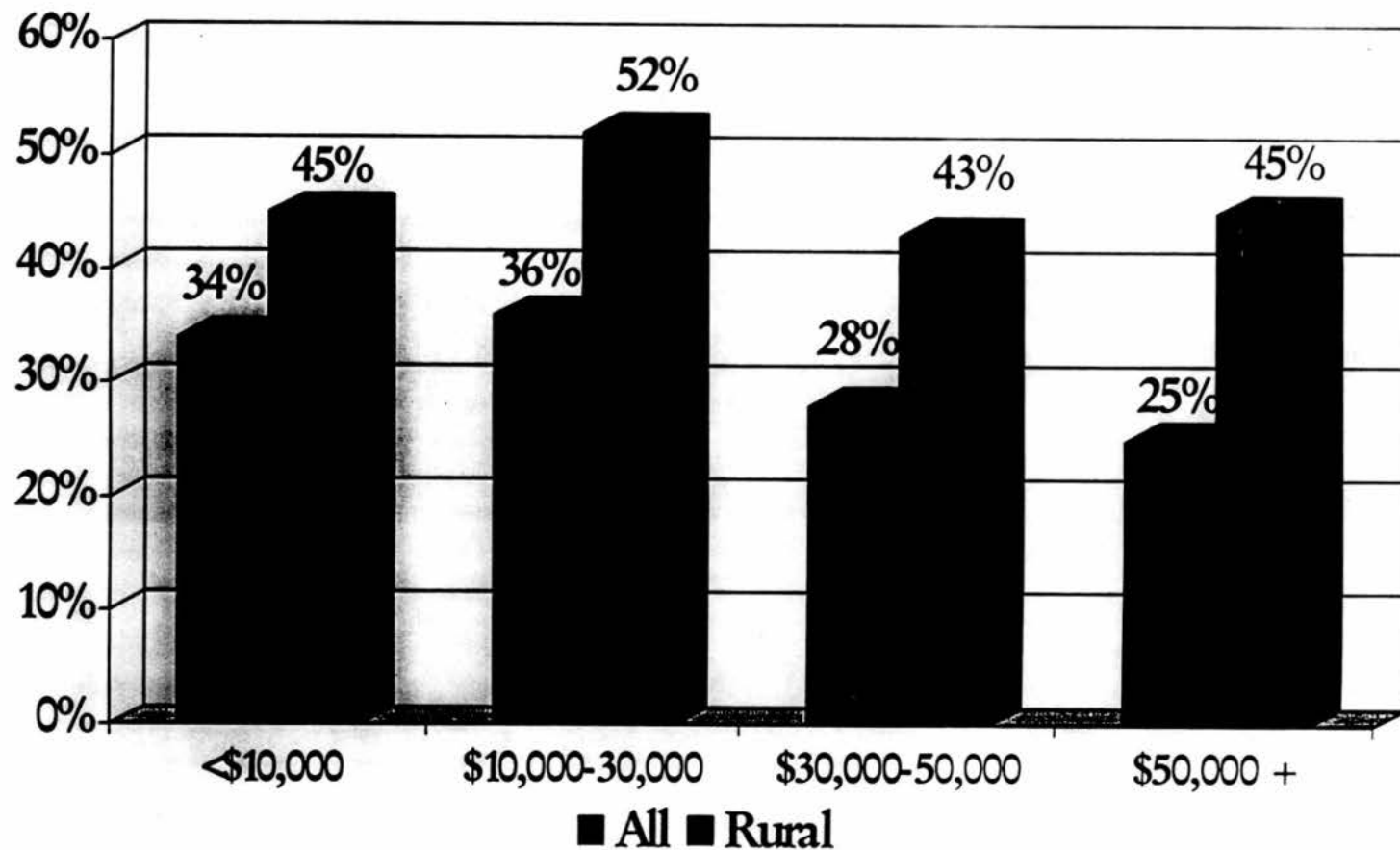
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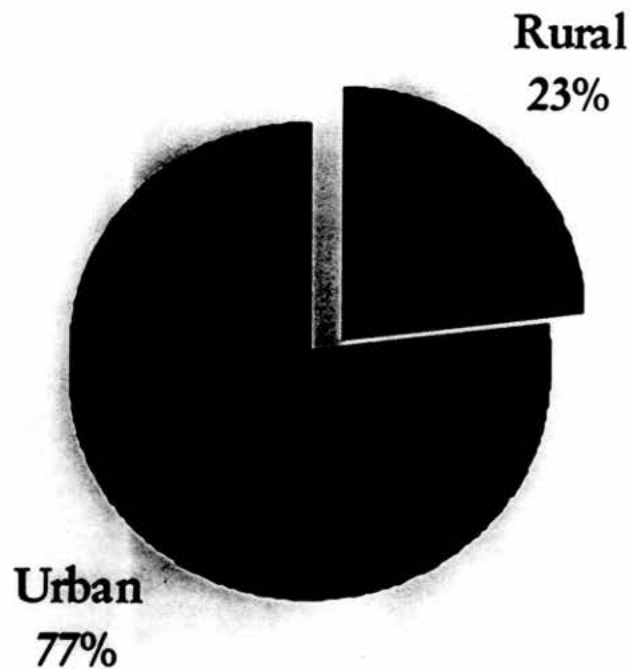


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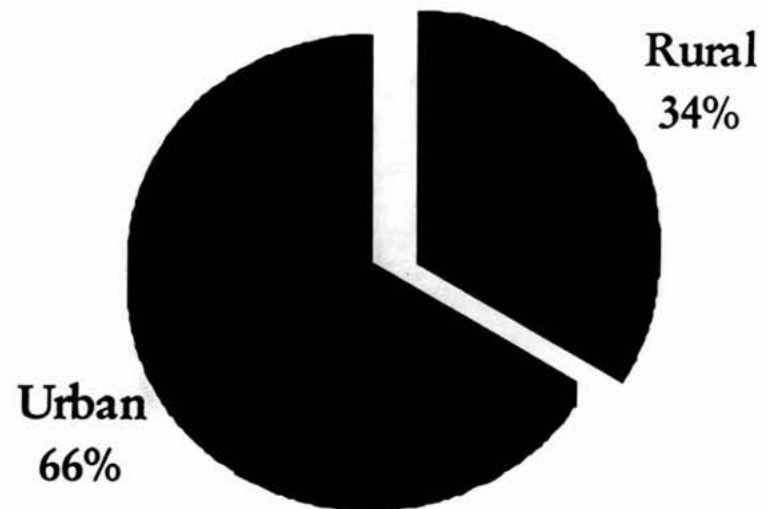


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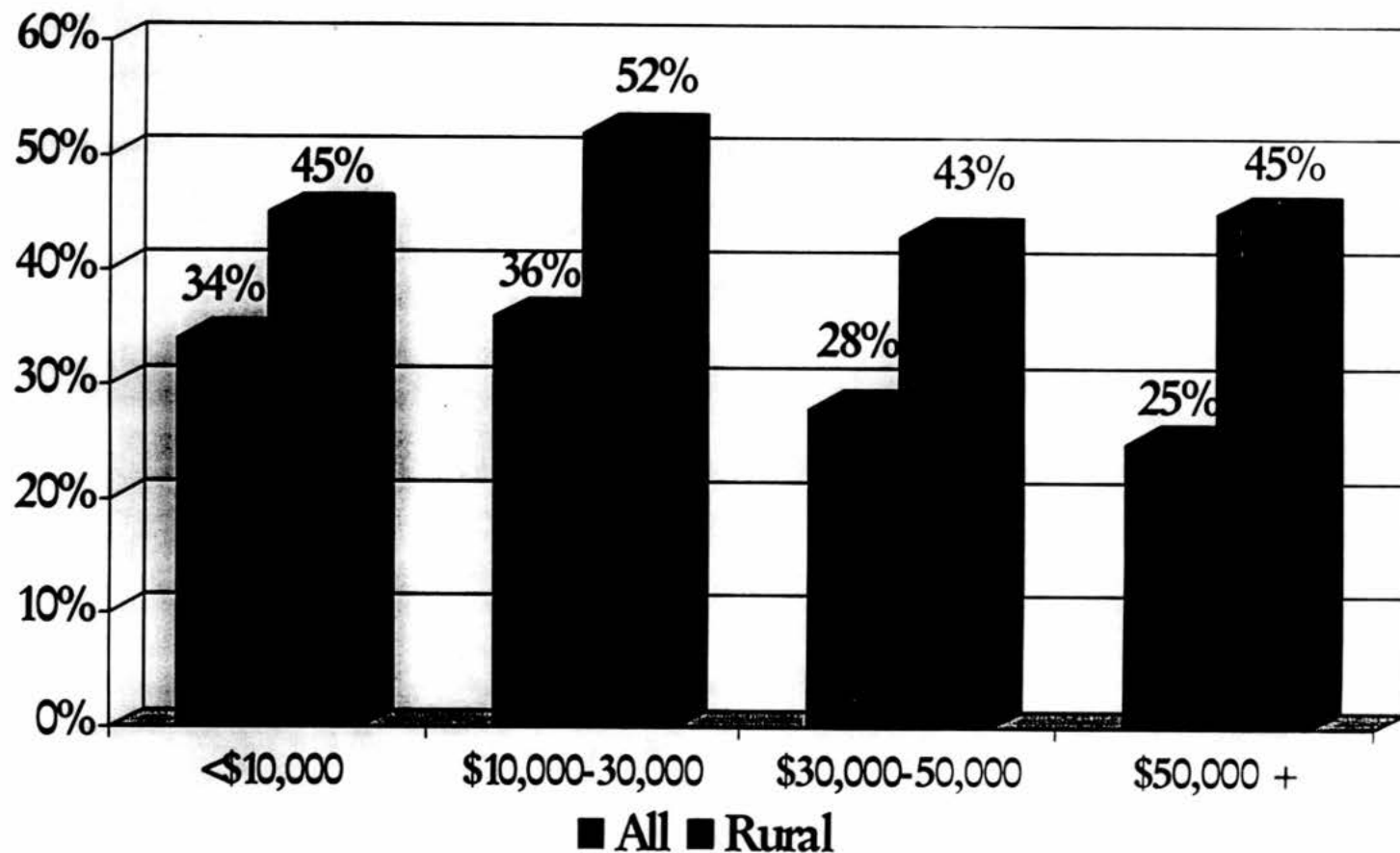
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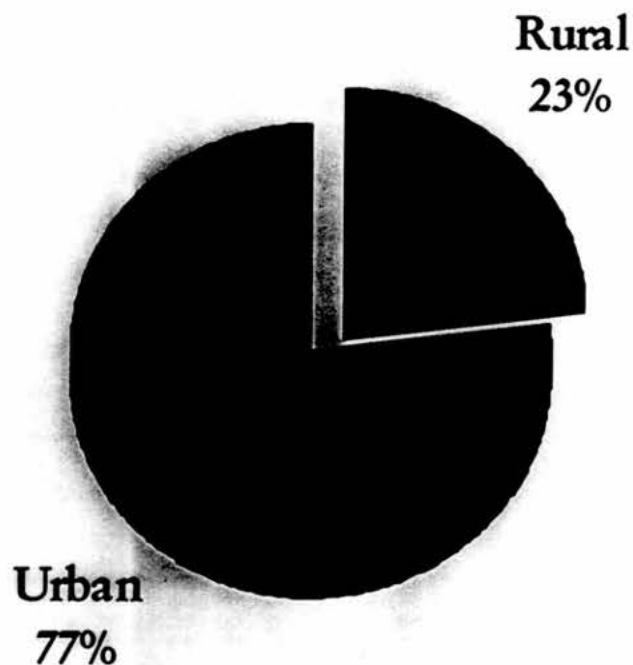


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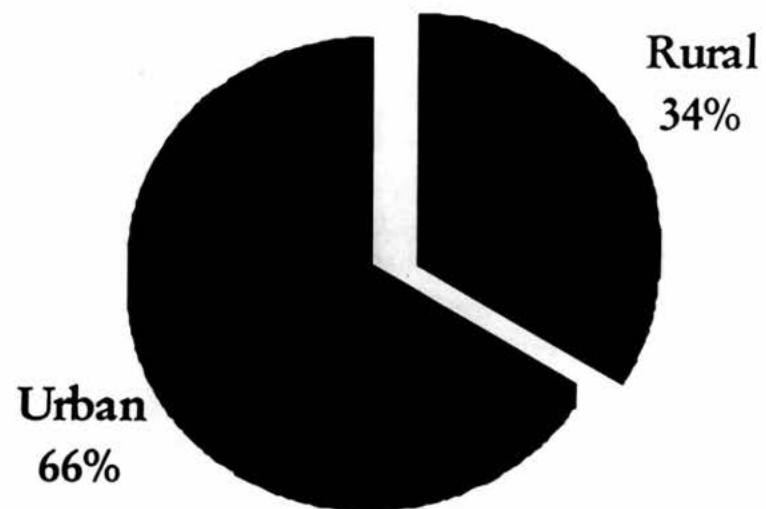


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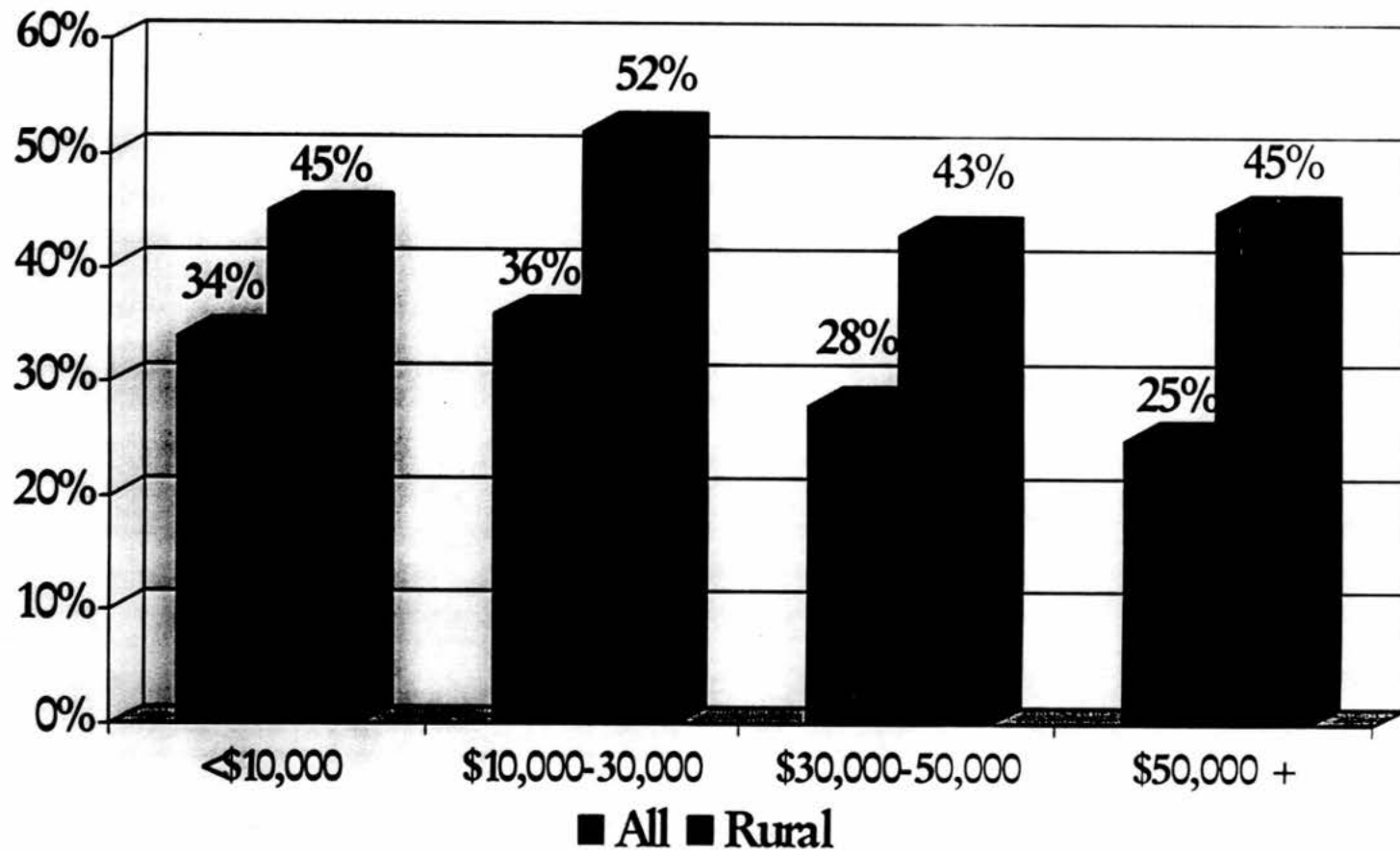
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MEDICARE BENEFICIARIES IN RURAL AMERICA HAVE A GREATER NEED FOR A MEDICARE PRESCRIPTION DRUG BENEFIT

Nearly One in Four Medicare Beneficiaries Live in Rural America. Of the forty million Medicare beneficiaries, over nine million live in rural America.

One in Three Beneficiaries Without Prescription Drug Coverage Live in Rural America.

- **There are thirteen million Medicare beneficiaries without prescription drug coverage.**
- **One-third -- approximately 4.5 million -- of these Medicare beneficiaries live in rural America.**

Rural Beneficiaries Are More Likely to Lack Medicare Prescription Drug Coverage.

- **Nearly fifty percent of rural Medicare beneficiaries lack prescription drug coverage,** whereas only thirty-four percent of all Medicare beneficiaries lack coverage.

Rural Beneficiaries are Less Likely to Have Prescription Drug Coverage Across All Income Groups.

- **Forty-five percent of Medicare beneficiaries in rural America with incomes above \$50,000 lack prescription drug coverage** whereas only 25 percent of all Medicare beneficiaries across the nation in this same income category lack prescription drug coverage.
- **Forty-three percent of Medicare beneficiaries in rural America with incomes between \$30,000 and \$50,000 lack prescription drug coverage** whereas only 28 percent of Medicare beneficiaries across the country in this same income category lack prescription drug coverage.

- **Fifty-two percent of Medicare beneficiaries in rural America with incomes between \$10,000 and \$30,000 lack prescription drug coverage** whereas only 36 percent of all Medicare beneficiaries nationwide in this same income category lack prescription drug coverage.
- **Forty-five percent of beneficiaries in rural America with incomes below \$10,000 lack prescription drug coverage** whereas 34 percent of all Medicare beneficiaries in this same income category lack coverage.

These Trends Are Explained By Insufficient Medicare Managed Care, Retiree Health Plans, and Medigap Plans in Rural Areas.

- Many Medicare Managed Care plans, which often offer prescription drug coverage, are not available rural areas and beneficiaries only have access to traditional Medicare, which does not cover prescription drugs. In fact, nearly three out of four Medicare beneficiaries in rural areas do not have access to managed care plans at all.
- Rural Medicare beneficiaries are less likely to have jobs that offer retiree health plans that often offer prescription drug coverage (since such coverage is typically associated with large firms).

Millions More Rural Americans Have Insufficient Drug Coverage.

- Medigap plans are often the only option for supplemental coverage in rural areas. Medigap premiums vary widely throughout the nation but are consistently two to three times higher than the Medicare premium proposed by the Administration. Moreover, unlike the Administration's proposal, premiums for Medigap plan substantially increase with age due to "age rating."

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THE WHITE HOUSE

Office of the Vice President

For Immediate Release
July 27, 1999

Contact:
202/456-7035

Vice President Gore Joins Democrats on Capitol Hill to Urge Republicans to Reconsider Using Entire Surplus for Tax Cuts Rather Than Investing in Medicare

Highlights New Statistics about the Importance of Prescription Drugs for Medicare Beneficiaries in Rural America

Today, Vice President Gore joined Senator Daschle, Representative Gephardt, and other Democrats on the Capitol Hill to urge the Congressional Republican Leadership to reconsider their proposal to use the entire surplus for a risky tax cut without dedicating one dollar to extending the life of the Medicare Trust Fund. The Vice President underscored the unique historical opportunity that the nation has to secure Medicare for a quarter of a century and to provide Medicare beneficiaries which a much-needed long-overdue prescription drug benefit. The Vice President also unveiled new facts that highlight the critical impact the Administration's Medicare proposal has for Medicare beneficiaries in rural areas. Earlier in the morning, the President and the First Lady released a new analysis underscoring the importance of Medicare for women.

"As a nation, we face a fundamental choice of how best to move forward into the 21st Century," said Vice President Gore. "We can pass dangerous tax cuts that imperil our prosperity or we can strengthen Medicare, pay off our debt, and pass responsible tax cuts that advance prosperity and protect families." Today, the Vice President:

Unveiled New Facts That Underscore the Need for the Administration's Proposed Prescription Drug Benefit for Medicare Beneficiaries in Rural America. Nearly one in four Medicare beneficiaries live in rural America. These Medicare beneficiaries tend to be older and sicker and have a disproportionate need for prescription drug coverage.

- **One in three Medicare beneficiaries without prescription drug coverage lives in rural America.** While nearly one in four Medicare beneficiaries live in rural America, one-third of those beneficiaries without prescription drug coverage live in rural America.
- **Nearly half (48 percent) of all Medicare beneficiaries in rural areas lack prescription drug coverage,** whereas only thirty-four percent of all Medicare beneficiaries lack prescription drug coverage.

- **Rural Medicare beneficiaries across all incomes are less likely to have prescription drug coverage.**
 - Forty-five percent of Medicare beneficiaries in rural America with incomes above \$50,000 lack prescription drug coverage compared to 25 percent of all Medicare beneficiaries.
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The Clinton/Gore Plan Strengthens Medicare for a Quarter Century and Provides a Long Overdue Critical Prescription Drug Benefit. The Administration's proposal would:

- **Extend Medicare solvency until 2027.** The Administration's proposal dedicates \$374 billion to Medicare most of which helps extend the life of the Medicare Trust Fund and makes Medicare more efficient and competitive.
- **Reduce the public debt.** By locking away most of the surplus dedicated to Medicare, the Administration's proposal buys down the debt which helps boost national savings, leading to lower interest rates and a higher standard of living. Under the Administration's framework, the public debt will be eliminated by 2015.
- **Provide a much-needed prescription drug benefit.** Seventy-five percent of Medicare beneficiaries have unstable or inadequate prescription drug coverage. The Administration is proposing a new prescription drug option that is available for all Medicare beneficiaries.
- **Eliminate the deductible and all copayments on all preventive benefits covered by Medicare,** including benefits to prevent and detect osteoporosis, all cancer screenings, and diabetes.

The Republican Plan Makes No Commitment to Medicare. The Republican proposals invest nearly all of the surplus in tax cuts and invest nothing in Medicare. The Republicans also support Medicare reforms that would undermine the program. These proposals:

- **Raise traditional Medicare premiums** through a new premium support proposal which mostly produces savings by raising premiums for traditional Medicare.

- **Do not dedicate one dime of the surplus to strengthen Medicare.** Independent analysts agree that the retirement of the baby boomers will require additional revenues to adequately finance the Medicare program for the next generation. Without this investment, Medicare would have to grow at a rate at 60 percent below the per capita growth rate projected for the private sector.
- **Reduce provider payments excessively and include no relief for providers in need today.** The Republican proposals extend most of the Balanced Budget Act (BBA) policies that save by reducing provider payments. They also do not include any financing to ease providers who have been excessively cut by the BBA that need some immediate relief.
- **Do not provide for a meaningful prescription drug benefit.**
- **Raise age eligibility to 67** which would increase the number of uninsured Americans;
- **Impose new copayments for home care and nursing homes** that cause higher out-of-pocket costs for some of the most vulnerable Medicare beneficiaries. This is particularly important for rural beneficiaries who are sicker and poorer and more likely to need home health services.