
MEDICARE INITIATIVES

PHOTOCOPY
PRESERVATION

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.
 - Forty-three percent of Medicare beneficiaries in rural America with incomes between \$30,000 and \$50,000 lack prescription drug coverage compared to 28 percent of beneficiaries.
 - Fifty-two percent of Medicare beneficiaries in rural America with incomes between \$10,000 and \$30,000 lack prescription drug coverage compared to 36 percent of all Medicare beneficiaries.
 - 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.

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.

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Vice President Gore Criticizes Proposals to Use Entire Surplus for Tax Cuts Rather Than Investing in Medicare at Address to the National Council of La Raza

Highlights Facts about the Importance of Medicare for Hispanics

Today, addressing the National Council of La Raza, Vice President Gore urged the Congressional Republican Leadership to reconsider their proposal to use the entire surplus for a risky tax cut without dedicating one dime to strengthening Medicare. The Vice President underscored the historic opportunity that the nation has to secure Medicare for a quarter of a century and provide Medicare beneficiaries which a much-needed long-overdue prescription drug benefit. The Vice President also highlighted new facts that underscore the critical impact the Administration's Medicare proposal has for Hispanic Medicare beneficiaries.

"I believe we must strengthen Medicare for the Latino elderly, and provide a much-needed prescription drug coverage," said Vice President Gore, "But the Republican tax scheme would make it impossible." Today, the Vice President:

Highlighted Facts That Underscore the Importance of the Administration's Medicare Proposal for Hispanics. Today, Medicare provides health insurance to more than two million elderly and disabled Hispanics but by 2025, the Hispanic share of the elderly population will more than triple, and one in six older Americans, over eleven million, will be Hispanic.

- **Hispanic Medicare beneficiaries are more likely to live in poverty and have higher health needs than white Medicare beneficiaries.** Nearly one-third of Hispanic beneficiaries have incomes below the poverty level (\$7,740 for a single person in 1996), which is three times the poverty rate of non-Hispanic white beneficiaries (10 percent). Nearly half (46 percent) of all Hispanic Medicare beneficiaries perceive their health status to be fair or poor, compared to a quarter (26 percent) of non-Hispanic whites. Twenty-eight percent of Hispanic Medicare beneficiaries have cognitive impairments, compared to twenty-two percent of white beneficiaries. With more health needs and lower incomes, Hispanics will be disproportionately impacted by Republican Medicare proposals, which increase costs to beneficiaries.
- **Hispanic Medicare beneficiaries are more likely to have no supplemental coverage to Medicare – meaning they have no coverage of prescription drugs.** Twenty-five percent of Hispanic beneficiaries rely only on Medicare. Only ten percent of non-Hispanic white beneficiaries have Medicare as their only form of coverage.

- **Hispanics have higher rates of certain diseases, such as cancer and diabetes, and would benefit from the Administration's proposal to improve preventive benefits.** Hispanic women have an incidence rate of cervical cancer nearly twice the rate of non-Hispanic women and the rate of breast cancer has increased three times faster for Hispanic women. However, only 35.9 percent of older Hispanic women on Medicare receive regular mammograms, lower than any other racial group. The prevalence of diabetes in Hispanics is nearly double that of whites.

The Clinton/Gore Plan Strengthens Medicare for a Quarter Century and Provides a Long Overdue Prescription Drug Benefit. The Administration's proposal would benefit all Medicare beneficiaries, particularly Hispanics. The proposal would:

- **Eliminate the deductible and all copayments on preventive benefits covered by Medicare,** including all cancer screenings, and diabetes management. These proposals are particularly important for Hispanic beneficiaries who are more likely to suffer from these conditions and less likely to be able to afford out-of-pocket costs.
- **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. This proposal is particularly important to Hispanic beneficiaries who are less likely to have supplemental coverage. Hispanic beneficiaries would also benefit from the Administration's proposal to eliminate cost-sharing for the drug benefit for beneficiaries below 150 percent of poverty.
- **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.

The Republican Plan Makes No Commitment to Medicare. The Republican proposals invest nearly the entire surplus in tax cuts and invest nothing in Medicare. The Republicans also support Medicare reforms that would undermine the program and that would have a particularly harmful impact on Hispanics. These proposals:

- **Raise traditional Medicare premiums** through a new premium support proposal which mostly produces savings by raising premiums for traditional Medicare. Hispanic Medicare beneficiaries, with overall lower incomes, will be disproportionately impacted by Republican Medicare proposals that increase traditional premiums and out-of-pocket costs.

- **Raise age eligibility to 67** which would increase the number of uninsured Americans. This proposal would disproportionately impact Hispanic beneficiaries who have higher rates of uninsured and lower incomes and more likely to have difficulty affording health care coverage.
- **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 would disproportionately harm Hispanic Medicare beneficiaries who have lower incomes and have greater long-term care needs. (18 percent of Hispanic beneficiaries have one or more ADL compared to only 10 percent of white beneficiaries).
- **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.

Vice President Gore Also Highlighted Other Critical Health Issues for Hispanic Americans.
Today the Vice President:

- **Underscored commitment to assuring health care coverage for children.**
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Final Press Release

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MEDICARE

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- **Hispanics have higher rates of certain diseases, such as cancer and diabetes, and would benefit from the Administration's proposal to improve preventive benefits.** Hispanic women have an incidence rate of cervical cancer nearly twice the rate of non-Hispanic women and the rate of breast cancer has increased three times faster for Hispanic women. However, only 35.9 percent of older Hispanic women on Medicare receive regular mammograms, lower than any other racial group. The prevalence of diabetes in Hispanics is nearly double that of whites.

The Clinton/Gore Plan Strengthens Medicare for a Quarter Century and Provides a Long Overdue Prescription Drug Benefit. The Administration's proposal would benefit all Medicare beneficiaries, particularly Hispanics. The proposal would:

- **Eliminate the deductible and all copayments on preventive benefits covered by Medicare,** including all cancer screenings, and diabetes management. These proposals are particularly important for Hispanic beneficiaries who are more likely to suffer from these conditions and less likely to be able to afford out-of-pocket costs.
- **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. This proposal is particularly important to Hispanic beneficiaries who are less likely to have supplemental coverage. Hispanic beneficiaries would also benefit from the Administration's proposal to eliminate cost-sharing for the drug benefit for beneficiaries below 150 percent of poverty.
- **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.

The Republican Plan Makes No Commitment to Medicare. The Republican proposals invest nearly the entire surplus in tax cuts and invest nothing in Medicare. The Republicans also support Medicare reforms that would undermine the program and that would have a particularly harmful impact on Hispanics. These proposals:

- **Raise traditional Medicare premiums** through a new premium support proposal which mostly produces savings by raising premiums for traditional Medicare. Hispanic Medicare beneficiaries, with overall lower incomes, will be disproportionately impacted by Republican Medicare proposals that increase traditional premiums and out-of-pocket costs.
- **Raise age eligibility to 67** which would increase the number of uninsured Americans. This proposal would disproportionately impact Hispanic beneficiaries who have higher rates of uninsured and lower incomes and more likely to have difficulty affording health care coverage.
- **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 would disproportionately harm Hispanic Medicare beneficiaries who have lower incomes and have greater long-term care needs. (18 percent of Hispanic beneficiaries have one or more ADL compared to only 10 percent of white beneficiaries).
- **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.

Vice President Gore Also Highlighted Other Critical Health Issues for Hispanic Americans.
Today the Vice President:

- **Underscored commitment to assuring health care coverage for children.**
 - Twenty-seven percent of Hispanic children are uninsured versus 17.6 percent of black children, and 12.3 percent of white children.
 - The Administration fought to pass the largest investment in children's health in a generation.
 - The Administration has also launched a national children's health outreach effort, including recent guidance the Vice President unveiled to clarify that receipt of health care or other services cannot be used to impact immigrant status, a major barrier to signing up for health coverage for many Hispanics.

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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.
 - Forty-three percent of Medicare beneficiaries in rural America with incomes between \$30,000 and \$50,000 lack prescription drug coverage compared to 28 percent of beneficiaries.
 - Fifty-two percent of Medicare beneficiaries in rural America with incomes between \$10,000 and \$30,000 lack prescription drug coverage compared to 36 percent of all Medicare beneficiaries.
 - 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.

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.
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- **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.

Final Press Release
TAX CUTS V.
MEDICARE/INVEST-
MENTS

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Office of the Vice President

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