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THE RELIABLE SOURCE

By Lloyd Grove

FILE PHOTO/BY RICHARD ELLIS FOR THE WASHINGTON POST

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I'd be with another one." It turns out that, just as prophesied, she left Arista for River North and now is having discussions with a third label. "I haven't told River North, and I guess they don't know," she said, laughing, "because I don't think they have a psychic."

To hear a free Sound Bite from Dave Obey and the Capitol Offenses, call Post-Haste at 202-334-9000 and press 4646.

COURTESY OF REP. DAVE OBEY

Public speaking was a piece of cake for the charming Karenna.

FILE PHOTO/BY JIM BOURG—REUTERS

Karenna Gore Schiff, Talking Up Dad

New mom **Karenna Gore Schiff** had her political coming-out of sorts yesterday when she keynoted a huge luncheon at New York's Waldorf-Astoria Hotel hosted by New Woman magazine. "Yeah, I had butterflies. I was nervous," **Vice President Gore's** eldest daughter, 26, told us afterward. "I thought I might trip on the way up to the stage, lose my voice or maybe get the hiccups."

But everything went fine, and Schiff, a third-year law student at Columbia University and the wife of physician **Drew Schiff,** charmed the crowd with her homespun talk on the importance of so-called women's issues in the upcoming election. After being introduced by **Tipper Gore,** Karenna joked: "It's a great honor to be here on Take Your Mother to Work Day."

While 2-month-old son **Wyatt** could be heard gurgling in the background, Karenna said: "Originally I thought I wanted to support my dad's presidential candidacy in a more private way. But this summer I started thinking how passionately I care, and how deeply, about the issues that are at stake in this election. And I felt I didn't want to be on the sidelines."

So she'll be doing more public speaking, even as she says her father has improved his own oratorical style. "I think he's really hit his stride."

THIS JUST IN . . .

■ The Beverly Hills cop who collared **George Michael** for paying too much attention to himself in a public restroom is now suing the pop star for mocking him in music videos. **Marcelo Rodriguez** wants $10 million, the Associated Press reports.

■ Hobbled by a back injury, the latest twist in her melodramatic medical history, 67-year-old **Elizabeth Taylor** is walking again, the AP reports.

■ Slumming? That was **William H. Rehnquist,** chief justice of the United States, awarding driver's licenses to 95 teenagers in an Arlington courtroom yesterday, reports The Post's Patricia Davis. "I have an interest in seeing qualified drivers on the street," the berobed Northern Virginian said.

Michael, still dogged by scandal.

FILE PHOTO/ASSOCIATED PRESS

■ Slumming? That was **James Carville** and **Mary Matalin** picking up a $10,000 fee Saturday for the grand opening of Hearth USA, a Rockville store that sells spas, grills and fireplaces, the night before one of their regular appearances on NBC's "Meet the Press," where they debated the merits of **George W. Bush** and presidential clemency for Puerto Rican terrorists. "I've done everything else in my life. Why not a store opening?" Carville said, adding that he and Matalin bought so many high-end cooking accessories, "we blew our fee in the store."

■ A week after pleading guilty to misdemeanor lying to the FBI—the conclusion of a four-year federal investigation—**Henry Cisneros, President Clinton's** former housing secretary, is sighing with relief. "Now I know the meaning of the expression 'waiting to exhale,' " Cisneros, now the head of Univision, the Spanish-language television network, told us at Monday night's National Hispanic Foundation for the Arts dinner. **Tipper Gore** (but not her husband) publicly acknowledged

AARP VOTE

File AARP

September 12, 1999

The Honorable Vice President Albert Gore, Jr.
Gore 2000
2415 Ingersoll Ave.
Des Moines, IA 50312

Dear Vice President Gore:

Congratulations on your decision to seek the presidency of the United States of America. We look forward to participating in the electoral debate and anticipate a healthy debate of the issues among the candidates in both major political parties.

The Iowa AARP/VOTE committee is offering to you today the opportunity to meet privately with a large group of AARP members anywhere in Iowa between now and caucus night (unofficially January 31, 2000). The purpose of the meeting is to privately discuss Social Security, Medicare, long term care, and managed care reform directly with you and offer AARP's perspectives on those issues.

AARP has been active in the national debates on the solvency of Social Security and Medicare. We have also engaged in state and federal debates on improving long term care and reforming managed health care. We will actively work with Congress and state legislatures and the candidates in the 2000 presidential election to ensure that these programs improve for future generations.

AARP/VOTE, the association's nonpartisan voter education program, has established the Iowa Caucus Project. We have an office located at 801 73rd Street in Windsor Heights and just trained 80 volunteer organizer to get-out-the-senior-vote for the 2000 caucuses. Our program will also train AARP members to introduce platform proposals at their caucuses and get elected as delegates to both parties' county, district, state, and national conventions.

Our goal in Iowa is to start the presidential nominating process by sending all 360,000 AARP members to their precinct caucus this winter. Meeting with candidates and discussing the issues is vitally important for a good caucus turn out. Please consider our request and have a member of your staff contact John McCalley or Dave Mills at our Iowa Caucus Project Office: Phone 515-440-3818, Fax 515-440-3824.

Thank you for your consideration.

Sincerely,

Mary Rose Brown
AARP/VOTE
Iowa State Coordinator

cc: Molly Daniels, Nancy George, Bruce Koeppl, John McCalley, and Steve Hildebrandt

AARP VOTE

AARP POLICY ON MEDICARE REFORM

In 1997, changes were made to Medicare to ensure the financial health of the program until 2008. The most recent Trustees report projections extend the life of the trust fund an additional seven years. Therefore, Medicare will be able to fully pay its bills until 2015, but after that - if no changes are made - the program is projected to fall short of the funds needed to cover the expected program costs.

Changes will be necessary to ensure the future financial stability of Medicare beyond 2015, especially given the fact that the baby boom generation will begin to turn 65 in 2011, increasing the number of beneficiaries and placing an enormous strain on Medicare's financial stability.

It is critical that the public participate in a dialogue that will lead to bipartisan legislation that solves Medicare's long-term challenges. AARP supports changes that will strengthen the program so that it continues to provide affordable, high-quality care for current and future beneficiaries. In particular, AARP supports the following policy positions on Medicare:

- Original fee-for-service Medicare should be modernized and strengthened so that it remains a viable option for beneficiaries.

  Today, HCFA's ability to operate Medicare in a way that would allow the program to benefit from some of the same approaches used by private insurance companies is substantially limited. Recognizing that HCFA needs greater flexibility to increase Medicare's operating efficiencies and enhance Medicare's ability to function as a large purchaser of health care, the Association supports changes that look to improve both operating and purchasing functions.

- AARP supports using an appropriate portion of the on-budget surplus to ensure Medicare's financial health beyond 2015.

- It was agreed that a portion of the general revenue (on-budget) surpluses should be used to insure the financial health of Medicare beyond 2015. While the program can fully cover its costs until 2015, funds from the surplus provide additional financial revenues for that time when the boomers begin to retire.

- AARP opposes raising the age of Medicare eligibility above 65.

It is viewed as unacceptable to ask people to wait until they are 67 to receive Medicare. Thus, the Association's policy clearly states opposition to raising the age of eligibility for receiving Medicare above age 65. It is felt that the practical, real-life effect of raising the age would be that more Americans would be uninsured at a time when they need health insurance most.

AARP opposes any effort to convert Medicare to a defined contribution program. Further the Association believes that the defined benefit nature of Medicare must be protected.

It is strongly felt that there is a lot of room for true innovation and modernization of Medicare without resorting to a defined contribution system.

AARP continues to support the addition of prescription drug coverage, for all beneficiaries.

This would allow Medicare the power to negotiate drug price discounts, extending the price discounts received by individuals in private plans to Medicare beneficiaries.

AARP believes that changes in Medicare should also expand genuine choice and access for beneficiaries and protect beneficiaries from burdensome out-of-pocket costs.

AARP VOTE

AARP POLICY ON SOCIAL SECURITY SOLVENCY

Social Security isn't perfect but it's not broke either. With no changes at all, Social Security will continue to pay full benefits on time until the 2030s. After that, it can pay nearly three-quarters of currently promised benefits. But three-quarters wouldn't be okay for today's retirees and it wouldn't be fair for Boomers and future generations. AARP believes that Congress and the President should act now to address these long-term financing issues.

Use of Budget Surplus - The Boomers, who are now in their peak earning years, have helped build the budget surpluses we have today. AARP supports using all of the Social Security surplus and part of the general revenue surplus to extend the solvency of the Social Security until the 2050s, when the last of the Boomers are well into retirement.

Individual Accounts - Measures to increase individuals' savings for retirement should be encouraged, so AARP supports the creation and expansion of supplemental individual retirement savings accounts. But these accounts should be *in addition to, not a replacement for,* some or all of the guaranteed benefits provided by Social Security.

Diversification of the Trust Funds - By law, all of the Social Security Trust Funds must be invested in US treasury bonds, which are very safe, but generally yield lower average returns than private equities do over time. Congress should authorize investment of a limited portion of Social Security reserves in a broad range of stocks in order to diversify its assets and increase the Trust Funds' rate of return, provided that these investments are insulated from political interference.

Increased Wage Base - There is a cap on the amount of earnings subject to Social Security payroll taxes; in 1999, all wages above $72,600 are exempt from payroll taxes. Because of rapid growth in wages, the payroll tax now applies to a smaller portion of total wages than it used to. AARP supports increasing the level of wages subject to the payroll tax to approximate historical levels.

Universal Coverage - About 30 percent of state and local government workers remain outside Social Security and participate only in their own retirement system. Congress should take the last step toward a universal Social Security system and bring all *newly hired* state and local government workers into Social Security. In making this change, however, now-uncovered workers and retirees must be assured that their promised benefits are protected.

Retirement Age - Social Security's retirement age for full benefits should not be raised until there is evidence of how the already scheduled increase from age 65 to 67 will work. Early retirement benefits should remain available at age 62.

Cost-of-Living Adjustments - Social Security should continue to provide full, automatic, annual benefits adjustments based on the full Consumer Price Index to keep pace with inflation. Also, a more appropriate index—one which includes the spending patterns of older persons—should be used to calculate COLAs.

Affluence-testing - Receipt of Social Security benefits should continue to be based on work histories and should not be affected by other sources of income.

Years in Benefit Calculation - The number of years used to calculate benefits should not be increased beyond the 35 years designated in current law. Raising the time period to 38 years would reduce benefits, especially for women, whose work histories may not be continuous.

Women's Benefits - Although Social Security prevents poverty among all older people, it is especially critical for older women. Congress should evaluate the impact on women of all solvency proposals, and avoid adopting changes that would appreciably worsen women's economic situation. Creation of any supplemental savings accounts should be accompanied by strong spousal protections. Also, reforms that would improve Social Security's protections for women should be considered, consistent with maintaining long-term solvency.

Social Security is a program in which workers pool contributions to protect themselves and their families from lost income when they retire, become disabled or die. It provides a guaranteed "floor" of income protection for all workers. We owe it to our children and grandchildren to keep Social Security solvent well into the future.

AARP VOTE

AARP POLICY ON MANAGED CARE CONSUMER PROTECTIONS

Managed care combines health insurance with the delivery of care and provides an alternative to traditional indemnity insurance. There are many different models of managed care organizations, i.e. health maintenance organizations (HMOs), individual practice associations (IPAs), preferred provider organizations (PPOs), point-of-service models (POS), provider sponsored organizations (PSOs). While the models differ widely, they share three essential characteristics: limited providers, negotiated provider reimbursement, and some form of utilization review.

Managed care has become the dominant health care delivery system in the United States. However, regulation and oversight of managed care plans is inconsistent across the states. Although Title XIII of the Public Health Act regulates federally qualified HMOs, most managed care plans do not fall under its jurisdiction. While the inherent incentives of managed care create the *potential* for high quality, cost-effective care, the same incentives, if abused, could result in the withholding of necessary care.

AARP believes that all managed care consumers should have the same basic patient protections as those provided by the Medicare program. Consumers need to feel confident that the managed care plan they have enrolled in provides access to quality care and is held responsible for that care.

The Association believes the following core patient protections, already required in Medicare, would provide a solid basis for patient protection legislation for all of the nation's managed care consumers.

Uniform National Standards: Uniform national standards should apply to all forms of managed care plans, including provider-sponsored organizations and preferred provider organizations and , to the extend possible, fee-for-service plans. These standards should be consistent across all payers, including Medicare, Medicaid, and self-insured plans regulated by ERISA.

Federal Preemption of State Managed Care Laws: AARP does not support federal preemption of state managed care laws until a federal law is established that affords consumers greater protections than they would otherwise have. In the absence of national managed care standards, AARP supports state enactment of a comprehensive set of rigorous standards that apply to all types of plans, public and private.

External Appeals: Consumers' must have the right of review by independent entities outside the health plan, including an external review by medically qualified reviewers of plan decisions about medical necessity, followed by a hearing before an administrative law judge and access to federal courts.

Plan Liability: All managed care plans should be held accountable for their actions. In cases where the health plan has been involved in a decision to delay or deny needed health care services and the decision has medical consequences, the plan should be liable for any injuries or harm sustained by the patient. The right to seek judicial redress for decisions that contribute to injury or death should be available to all managed care patients regardless of the source of their health care coverage.

Specialists: All plans should be required to provide referrals to specialty care, including provisions for standing referrals.

Emergency Services: Plans must provide coverage in all situations in which a "prudent layperson" would consider the situation to require emergency care.

Health Plan Information: Plans should be required to disclose information in a standardized form about all plan benefits and providers.

Quality Monitoring/Data Collection: Each plan should collect and make available to potential plan participants data that makes it possible to measure a health plan's performance.

The American public wants patient protections. AARP believes these provisions will provide a solid core of patient protections for all managed care consumers.

AARP VOTE

AARP Policy on Long-Term Care

One of the greatest deficiencies in the health and social service system is the lack of comprehensive long-term care services that are well coordinated and of high quality.

Long-term care refers to the comprehensive range of services -- including nursing home and home and community health care -- that meet the physical, social, and emotional needs of persons of all ages with disabilities.

The unpredictability of need and the threat of high expenses show why the United States needs a comprehensive long-term care program.

The present long-term care system is seriously fragmented, with major gaps in funding and services among federal and state programs assisting persons needing home and community care or a nursing home.

- Medicare does not cover long-term care services, unless beneficiaries need physician certified, medically necessary skilled services and then for a limited time.
- Medicaid provides nursing home care and a limited amount of home and community based care to people who are poor or have become impoverished.

Premiums for most private insurance plans for limited long-term care coverage are quite expensive, with an average annual premium for a 65-year old of $2,560.

The cost of custodial long-term care is prohibitive (over $46,000 per year for nursing home coverage on average), and eventually impoverishes most people with disabilities.

In fact, between 20 and 25 percent of people who enter nursing homes and are not eligible for Medicaid impoverish themselves and must turn to Medicaid. In 1997, 68% of nursing home residents were dependent on Medicaid to finance at least some of their care.

AARP believes that a comprehensive, coordinated long-term care system needs to be developed following these principles:

UNIVERSAL COVERAGE. Long-term care services should be available to all people who need them, regardless of age or income. The long-term care program should base eligibility for services on a person's physical and cognitive or other mental functioning, including limitations in activities of daily living (e.g., eating, bathing, and dressing) and a person's need for supervision. Uniform national assessment should determine whether a person meets the eligibility criteria for the program and what type and level of care a person needs.

COMPREHENSIVE COVERAGE. A national public long-term care program should provide a comprehensive range of services. These services should include (1) in-home assistance; (2) community services; (3) long term-care services in a full range of supportive housing options; (4) institutional care; (5) rehabilitative services; and (6) transportation services. Long-term care should be provided in the least restrictive setting possible.

SUPPORT FOR INFORMAL CARE. The new public program should assist, not replace, current informal caregivers. Families and friends need access to supportive services so that they are not unreasonably burdened and can continue to provide care. The services should include respite care, adult day care, and other types of assistance such as an expanded dependent-care tax credit.

PHASED-IN IMPLEMENTATION. Implementation of the public program must be phased in to ensure orderly development of the new system. Expansion of services should be accompanied by development of a long-term care infrastructure, including health care personnel, that will permit the delivery of a comprehensive range of home, community, and institutional services. The program should not be phased in on the basis of income or assets.

SHARED RISK. The principles of social insurance (e.g., Social Security or Medicare) and shared risk must be extended to long-term care. Under social insurance programs, individuals pay into the system and then are entitled to benefits when they are needed. If the cost is spread across the entire population, universal protection can be achieved in an affordable, equitable manner for everyone.

ADEQUATE PUBLIC FINANCING. The new long-term care program should be financed primarily through taxes earmarked to a trust fund. Revenue sources could include payroll taxes, increased estate and gift taxes, income taxes, and modest premiums.

PRIVATE SECTOR INVOLVEMENT. The new public program must provide a solid foundation for protection on which the private sector can build. The private sector could supplement the public program with insurance products similar to Medigap policies that would cover the program's copayments and deductibles, as well as services that the public program does not provide. Any private sector approach (e.g., long-term care insurance) should be subject to strong standards to protect consumers from inadequate products.

ADEQUATE REIMBURSEMENT. Payment to providers of long-term care services must be reasonable and provide appropriate incentives to deliver quality care. Reimbursement systems for home, community, and institutional care must respond to clients' needs, promote delivery of quality care, and recognize the outcomes of care provided to clients.

COST CONTAINMENT. Cost containment mechanisms must be built into the new long-term care system. Use of services could be controlled by providing a defined set of services to beneficiaries. Modest deductibles and copayments also could be included. However, people with low incomes should be protected.

QUALITY ASSURANCE. The federal and state governments should ensure delivery of quality care under the new long-term care program. Quality assurance systems for nursing homes and home health agencies should be swiftly and vigorously enforced. In addition, new methods of assuring the quality of the other home and community services must be found.

August, 1999

THE LONG TERM CARE CAMPAIGN

Long Term Care Leadership Pledge

- Because more than 200 million Americans lack protection against the devastating cost of providing long term care,
- Because long term care is not covered by Medicare and most health insurance,
- Because there is broad public support for government assistance to individuals who need long term care,
- Because the long term care crisis threatens Americans' health and retirement security,
- Because in order to solve the crisis, we need a comprehensive solution drawing on both private and public financing mechanisms,
- I promise that, if elected President, I will make addressing the long term care crisis one of my Administration's top priorities, and I will lead in promoting a comprehensive solution that (1) stresses home and community-based care, (2) is available to all regardless of age or income, (3) is affordable, and (4) provides real consumer choice.

_____
Name

_____
Signature

_____
Date

The Long Term Care Campaign, PO Box 27394, Washington, DC 20038
202.434.3744. Fax 202.434.6403. E-mail: info@ltccampaign.org
On the Web at www.ltccampaign.org

The Long Term Care Campaign is a nonpartisan voter education program designed to yield an electorate informed about long term care issues. It will not support or oppose candidates for office or any political party.

WHAT IS AARP/VOTE?

- AARP/VOTE is the voter education program of the American Association of Retired Persons. It is nonpartisan and run by volunteers. AARP/VOTE is not a PAC. We do not endorse candidates for public office and do not contribute money to the campaigns.

- AARP/VOTE provides information about issues and candidates that will help voters make informed decisions. We sponsor candidate forums, produce voters' guides, provide educational information to our members and others, and organize activities aimed at building awareness about our issues.

- AARP/VOTE advocates on behalf of older Americans and their families at the local, state and federal levels.

- We are successful if the issues we are concerned about are actively debated by the candidates and carefully considered by the voters. We do not tell people who to vote for, but we encourage them to vote.

- On certain issues – not candidates – VOTE volunteers act as voter advocates. Our positions support the legislative goals of AARP as approved by its Board of Directors.

AARP AND ADVOCACY

- AARP's legislative agenda, policies and activities are determined by volunteers who serve on its National Legislative Council and Board of Directors.

- Older Americans are willing to sacrifice, as long as the burden is fairly and equitably shared with other segments of our society.

AARP

FOR IMMEDIATE RELEASE
September 8, 1999

CONTACT: John McCalley, 515/282-0001, X6
Bruce Koeppl, 515/282-2787
Rusty Ayers, 773/714-4704

AARP to Presidential Candidates: Let's Keep Americans Healthy By Keeping Medicare Healthy

WINDSOR HEIGHTS – At a news conference in Des Moines, one Des Moines women who pays 100 percent of her pharmaceuticals out-of-pocket said the high cost of modern medicines is a huge financial burden to many seniors.

"It's a growing problem," Loris Hanson said. "Even though Americans live in the world's most medically-advanced nation, many seniors are unable to benefit from these advances because they can't afford to buy needed prescription drugs."

AARP National Director of Legislation and Public Policy, John Rother, said adding a prescription drug benefit to the existing Medicare program is a top issue AARP will be asking of presidential candidates who hope to attract older voters in the January 2000 presidential caucuses.

"We want Congress to add a prescription drug benefit to Medicare, but it is possible that it won't act this fall," Rother said. "That is why we are working with the presidential candidates. We want them to commit to keeping Medicare affordable, universal, accessible and include prescription drugs as a part of its benefits package."

Mary Rose Brown, State Coordinator for AARP/VOTE, AARP's nonpartisan voter education campaign, unveiled the second in a series of issue-advertisements to be placed in Iowa newspapers. The ad, entitled "Let's Keep Americans Healthy By Keeping Medicare Healthy," asks the candidates what they plan to do to ensure Medicare benefits today and for the next generation.

"We urge all our members and their families to ask their elected officials what they would do to make it easier for seniors to get the prescriptions they need," Brown said. "AARP organizers across Iowa are collecting prescription drug bills and containers and taking them to the candidates' events to demonstrate the depth of the problem."

- MORE -

As many as 143,000 older Iowans have no assistance whatsoever when it comes to paying for the prescription drugs they need to stay healthy, according to leaders for AARP (formerly known as the American Association of Retired Persons).

More than one-third of Americans aged 65 and older pay 100 percent of prescription drugs out of their own pockets. Of those that do have some pharmaceutical coverage, many still face high out of pocket costs. Medicare officials estimate that 16 million seniors – 40 percent of all Medicare beneficiaries – will have no drug coverage by 2000.

Brown, Rother and AARP Board member Otto Schultz of Madison, WI were among the leaders who attended the grand opening of AARP's new Iowa Caucus Office in Windsor Heights. The caucus office staff will coordinate voter education and turnout campaigns for Iowa's 360,000 AARP members in support of the Association's top policy goals of Medicare, Social Security, long-term care and managed care. Other officials at the ceremony included State Senator Mary Kramer.

With more than 32 million members, AARP is the nation's leading organization for people 50 and over. It serves their needs and interests through information and education, advocacy, and community services provided by a network of local chapters and experienced volunteers across the country.

More information on AARP's legislative policy on healthcare issues can be found at http://www.aarp.org/healthguide/.

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