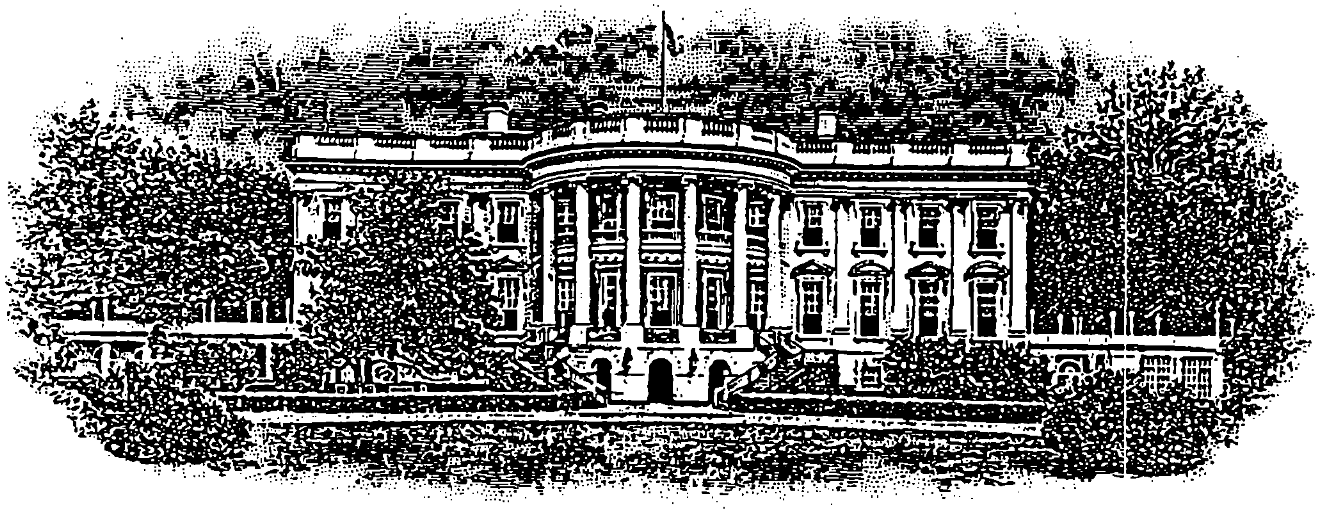
The White House



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: Jen Klein / Gene Sperling

FAX NUMBER: 6-2878

TELEPHONE NUMBER:

FROM: Chris J.

TELEPHONE NUMBER: 6

PAGES (INCLUDING COVER):

COMMENTS: Need your comments by 2:30 TODAY

Op-Ed By

Donna E. Shalala

Secretary of Health and Human Services

"GOP Budget Plan is Fatally Flawed"

House and Senate Republicans will soon sit down to try to work out a final bill cutting $440 billion from the American health care system over the next seven years. Before those negotiations begin, let me issue a warning: The GOP budget plan is fatally flawed and will, most certainly, result in a Presidential veto if it is not changed dramatically.

The bottom line is that under the Republican budget, Congress will be voting -- for the first time in our nation's history -- to reduce the number of Americans with health insurance while potentially jeopardizing the coverage of millions more. This is the wrong direction for America.

The fundamental problem with the Republican budget is that it cuts too much, too fast from the U.S. health care system. Such reductions -- unmatched in the history of our country -- will reduce the number of Americans with health care coverage and raise the cost of care for senior citizens and those with disabilities as well as millions of others who get their health coverage from their employers. Cuts of this magnitude -- $270 billion in Medicare and $170 billion in Medicaid -- inevitably lead to bad policy decisions that will undermine access to care and the quality of care that can be provided in this country.

Look first at Medicare. The GOP wants to cut $270 billion from a program that serves 36 million elderly and disabled Americans, claiming their motive is the future solvency of the Medicare trust fund. The facts are clear: Savings of $89 billion will extend the solvency of the trust fund until 2006. Yet the House and Senate have voted to cut three times that amount. So where does the rest of the money go? It helps pay for a $245 billion tax cut for wealthy Americans that is unnecessary and unwarranted.

This arbitrary Medicare spending cap will drive Medicare beneficiaries away from traditional Medicare because that program will be significantly underfunded. It will also drive health care providers away from the program because payments to hospitals, physicians, nursing homes and others will be set too low to cover the true costs of care. At the same time, Medicare payments to HMOs and other private health plans will also be underfunded, creating undue pressure on these plans to cut benefits or increase costs to patients.

For beneficiaries, Medicare premiums are increased, deductibles ~~could double~~, and current protections against extra charges for covered Medicare services are lifted for participants in many of the new plans created in the Republican bills. These policies will significantly increase the out-of-pocket health care expenditures for the elderly. But even w/ Medicare, the average senior ~~the average senior has an~~ income of $13,000 a year and already spends 20 percent of that on out-of-pocket expenses for prescription drugs and Medicare cost-sharing. How will they absorb those new costs?

Moreover

The Republican proposals on Medicaid are perhaps even worse. Let's be blunt: The GOP does not reform Medicaid, it repeals Medicaid. The 30-year entitlement to decent medical care for poor women and children, frail senior citizens in nursing homes, and people with disabilities will be wiped out. More than eight million Americans could lose Medicaid coverage by 2002, pushing the number of Americans without coverage well above today's 40 million. In fact, no American, no matter how poor, frail, or disabled will be guaranteed basic coverage.

Responding to strong public criticism of their Medicaid plan, Senate Republicans agreed to promise coverage to pregnant women, children, and those with disabilities. But even the sponsor of that amendment admits that states could comply with that promise by simply giving each person an aspirin. Let's not be fooled by false promises.

At the same time they wipe out the Medicaid entitlement, House and Senate Republicans have voted to cut federal aid to the states by $170 billion over seven years. That will mean reductions of nearly 30 percent in 2002. Some states -- including New York, California, and Texas -- will lose nearly $20 billion over seven years.

Compounding this dramatic underfunding are another series of ill-conceived policy decisions. For example, the House would eliminate all federal oversight of nursing homes. Under pressure, the Senate agreed to retain some standards but allow many states to slip through a new loophole. This could endanger the health of frail senior citizens living in nursing homes. In addition, both the House and Senate would erase all national standards for institutions caring for people with mental retardation and developmental disabilities.

Finally, since 1990 very poor senior citizens have been able to rely on Medicaid to pay their Medicare premiums, deductibles, and coinsurance. Republicans initially sought to eliminate this assistance entirely. But when the impact of these proposals became clear, the GOP required states to set aside some funding for those costs, but the total amount set aside is only 45 percent of expected costs in 2002. What kind of a safety net is that?

President Clinton has offered a rational, reasonable, and responsible plan to balance the federal budget, including $124 billion in Medicare savings and $54 billion in Medicaid savings over seven years without taking coverage away from a single American. The President's plan preserves the integrity of both Medicare and Medicaid and makes it clear that the health of our people and the quality of our extraordinary health care system remain top priorities of our leaders.

In the days and weeks ahead, House and Senate negotiators would be wise to put down their budget ax and work with us to make responsible changes. Too much is at stake.

# # #

to: DPC staff

THE WHITE HOUSE

WASHINGTON

September 4, 1995

Dear Editor:

As students, teachers, and administrators return to schools all over the country, I want to remind you of a critical battle that will take place this fall in Washington over the issue of education. To put it bluntly, our educators, students, and parents need to be aware that our nation's investments in education -- in our children's future -- are under direct attack by the Republican majority in the House.

The President is firmly committed to a comprehensive economic policy based on balancing the budget, reducing trade barriers worldwide, and creating jobs here at home. But he is convinced that to strengthen families, expand our economy, and raise the living standards for the American people, nothing is more critical to our nation's future than ensuring that all Americans have the education and skills they need.

Education has become the fundamental fault-line in the standard of living for American families. Many Americans have seen their incomes stagnate over the last 15 years; the real income of the typical family has actually declined. Yet those with the most education and training have bucked the trend. Today, the typical college graduate earns 74 percent more than a worker with only a high school degree. Studies also show that for every year of training a person gets after high school, his or her earnings rise by 6 to 12 percent. Education is the key to growth in our economy, in wages, and in our standard of living.

To allow individuals to make the most of their lives, and to provide every American the chance to realize the American Dream, the President has been fighting for better education and training, by investing in Head Start and Safe and Drug-Free Schools, by providing resources to train teachers and raise school standards, and by improving the student loan program. During the last Congress, Republicans and Democrats together enacted a historic series of initiatives to assist families, communities, schools and colleges to expand educational opportunity in America.

President Clinton has proposed to balance the budget over the next ten years. He would do so by cutting wasteful spending, streamlining programs, and ending unneeded subsidies. Yet he would preserve and increase investment in education by $40 billion over the next seven years; protect Medicaid, Medicare and the environment; and provide for a targeted tax cut that would help middle-income Americans raise their children, save for the future and pay for post-secondary education.

By contrast, there are proposals in Congress threatening to cut $36 billion from education and training to help them balance the budget in seven years and provide a huge tax cut to those who need it least. They have proposed: slashing investments in Head Start; abolishing the Goals 2000 school reforms; cutting crucial assistance to students from disadvantaged backgrounds; abolishing the Technology Learning Challenge, which leverages private money for technology in schools and communities; cutting funding for apprenticeship training in half; abolishing AmeriCorps - the heart of the President's National Service program; raising students' costs of loans by $10 billion over seven years; halting progress on the President's Direct Lending program; and denying Pell Grants to 360,000 students in 1996 alone.

These latter cuts would be particularly devastating for access to post-secondary education and training. By slashing grants and loans, we would turn back the clock on recent successes in expanding access, forcing some students to drop out and denying others the opportunity to begin their education. To achieve the level of savings they are proposing, Congress would have to raise the costs of college education by as much as $3,100 for undergraduates and as much as $9,400 for graduate students. They would not only eliminate any interest subsidy for graduate and professional students, but also hit college students with substantially higher fees--for example, eliminating the six-month grace period for interest after college or raising the origination fee that every student must pay to obtain their loans. There are also proposals to reduce and possibly eliminate the Direct Lending Program, preventing more schools from participating in this initiative, which is already saving taxpayers $6.8 billion, lowering interest rates for students, and allowing borrowers to choose flexible repayment arrangements.

I firmly believe that the American people want to balance the budget and continue to increase investments in education. The President has shown that it is possible. Nevertheless, there are those in Congress who are determined to go forward with these extreme cuts. The debate over this issue will be one of the most significant in the coming months, if not years. The future of this great nation is at stake.

Sincerely,

Leon E. Panetta
Chief of Staff

Los Angeles Times
8-28-95

PERSPECTIVE ON MEDICARE

Rehabilitation Needed, Not Surgery




The trust fund's crisis isn't new; the President offered a solution to insolvency.

By ROBERT E. RUBIN, DONNA E. SHALALA, ROBERT B. REICH and SHIRLEY S. CHATER

Our nation is involved in a serious examination of the status and future of Medicare. Congressional Republicans have called for $270 billion in cuts over the next seven years, claiming that Medicare is facing a sudden and unprecedented financial crisis that President Clinton has not dealt with, and that all of the majority's cuts are necessary to avert it.

While there is a need to address the financial stability of Medicare, the congressional majority's claims are simply mistaken. As trustees of the Part A Medicare Trust Fund, which is the subject of the current debate, and authors of an annual report that regrettably has been used to distort the facts, we would like to set the record straight.

- *Concerns about the solvency of the Medicare Part A Trust Fund are not new.* The solvency of the trust fund is of utmost concern to us all. Each year, the Medicare trustees undertake an examination to determine its short-term and long-term financial health. The most recent report notes that the trust fund is expected to run dry by 2002. While everyone agrees that we must take action to make sure that the fund has adequate resources, the claim that it is in a sudden crisis is unfounded.

The Medicare trustees have nine times warned that the trust fund would be insolvent within seven years. On each of those occasions, the sitting President and members of Congress from both political parties took appropriate action to strengthen the fund.

Far from being a sudden crisis, the situation has improved over the past few years. When President Clinton took office in 1993, the Medicare trustees predicted the fund would be exhausted in six years. The President offered a package of reforms to push back that date by three years and the Democrats in Congress passed the plan. In 1994, the President proposed a health reform plan that would have strengthened the fund for an additional five years.

So what has caused some members of Congress to become concerned about the fund? Certainly not the facts in this year's trustees report that these members continually cite. The report found that predictions about the solvency of the fund had improved by a year. The only thing that has really changed is the political needs of those who are hoping to use major Medicare cuts for other purposes.

- *President Clinton has presented a plan to extend the fund's life.* Remarkably, some in Congress have said that the President has no plan to address the Medicare Trust Fund issue. But he most certainly does. Under the President's balanced budget plan, payments from the trust fund would be reduced by $89 billion over the next seven years to ensure that Medicare benefits would be covered through October 2006—11 years from now.

- *The congressional majority's Medicare cuts are excessive; it is not necessary to cut benefits to ensure the fund's solvency.* The congressional majority says that all of its proposed $270 billion in Medicare cuts over seven years are necessary. Certainly, some of those savings would help shore up the fund, just as in the President's plan. But a substantial part of the cuts the Republicans seek—at least $100 billion—would seriously hurt senior citizens without contributing one penny to the fund. None of those savings (taken out of what is called Medicare Part B, which basically covers visits to the doctor) would go to the Part A Trust Fund (which mostly covers hospital stays). As a result, those cuts would not extend the life of the trust fund by one day.

And those Part B cuts would come out of the pockets of Medicare beneficiaries, who might have to pay an average of $1,650 per person or $3,300 per couple more over seven years in premiums alone. Total out-of-pocket costs could increase by an average of $2,825 per person or $5,650 per couple over seven years. According to a new study by the Department of Health and Human Services, these increases would effectively push at least half a million senior citizens into poverty and dramatically increase the health care burden on all older and disabled Americans and their families. The President's plan, by contrast, protects Medicare beneficiaries from any new cost increases.

As Medicare trustees, we are responsible for making sure that the program continues to be there for our parents and grandparents as well as for our children and grandchildren. The President's balanced budget plan shows that we can address the short-term problems without taking thousands of dollars out of peoples' pockets; that would give us a chance to work on a long-term plan to preserve Medicare's financial health as the baby boom generation ages. By doing that, we can preserve the Medicare Trust Fund without losing the trust of older Americans.

Robert E. Rubin is secretary of the Treasury. Donna E. Shalala is secretary of health and human services. Robert B. Reich is secretary of labor. Shirley S. Chater is commissioner of Social Security.

Los Angeles Times
8-28-95

PERSPECTIVE ON MEDICARE

Rehabilitation Needed, Not Surgery

The trust fund's crisis isn't new; the President offered a solution to insolvency.

By ROBERT E. RUBIN, DONNA E. SHALALA, ROBERT B. REICH and SHIRLEY S. CHATER

Our nation is involved in a serious examination of the status and future of Medicare. Congressional Republicans have called for $270 billion in cuts over the next seven years, claiming that Medicare is facing a sudden and unprecedented financial crisis that President Clinton has not dealt with, and that all of the majority's cuts are necessary to avert it.

While there is a need to address the financial stability of Medicare, the congressional majority's claims are simply mistaken. As trustees of the Part A Medicare Trust Fund, which is the subject of the current debate, and authors of an annual report that regrettably has been used to distort the facts, we would like to set the record straight.

• *Concerns about the solvency of the Medicare Part A Trust Fund are not new.* The solvency of the trust fund is of utmost concern to us all. Each year, the Medicare trustees undertake an examination to determine its short-term and long-term financial health. The most recent report notes that the trust fund is expected to run dry by 2002. While everyone agrees that we must take action to make sure that the fund has adequate resources, the claim that it is in a sudden crisis is unfounded.

The Medicare trustees have nine times warned that the trust fund would be insolvent within seven years. On each of those occasions, the sitting President and members of Congress from both political parties took appropriate action to strengthen the fund.

Far from being a sudden crisis, the situation has improved over the past few years. When President Clinton took office in 1993, the Medicare trustees predicted the fund would be exhausted in six years. The President offered a package of reforms to push back that date by three years and the Democrats in Congress passed the plan. In 1994, the President proposed a health reform plan that would have strengthened the fund for an additional five years.

So what has caused some members of Congress to become concerned about the fund? Certainly not the facts in this year's trustees report that these members continually cite. The report found that predictions about the solvency of the fund had improved by a year. The only thing that has really changed is the political needs of those who are hoping to use major Medicare cuts for other purposes.

• *President Clinton has presented a plan to extend the fund's life.* Remarkably, some in Congress have said that the President has no plan to address the Medicare Trust Fund issue. But he most certainly does. Under the President's balanced budget plan, payments from the trust fund would be reduced by $89 billion over the next seven years to ensure that Medicare benefits would be covered through October 2006—11 years from now.

• *The congressional majority's Medicare cuts are excessive; it is not necessary to cut benefits to ensure the fund's solvency.* The congressional majority says that all of its proposed $270 billion in Medicare cuts over seven years are necessary. Certainly, some of those savings would help shore up the fund, just as in the President's plan. But a substantial part of the cuts the Republicans seek—at least $100 billion—would seriously hurt senior citizens without contributing one penny to the fund. None of those savings (taken out of what is called Medicare Part B, which basically covers visits to the doctor) would go to the Part A Trust Fund (which mostly covers hospital stays). As a result, those cuts would not extend the life of the trust fund by one day.

And those Part B cuts would come out of the pockets of Medicare beneficiaries, who might have to pay an average of $1,650 per person or $3,300 per couple more over seven years in premiums alone. Total out-of-pocket costs could increase by an average of $2,825 per person or $5,650 per couple over seven years. According to a new study by the Department of Health and Human Services, these increases would effectively push at least half a million senior citizens into poverty and dramatically increase the health care burden on all older and disabled Americans and their families. The President's plan, by contrast, protects Medicare beneficiaries from any new cost increases.

As Medicare trustees, we are responsible for making sure that the program continues to be there for our parents and grandparents as well as for our children and grandchildren. The President's balanced budget plan shows that we can address the short-term problems without taking thousands of dollars out of peoples' pockets; that would give us a chance to work on a long-term plan to preserve Medicare's financial health as the baby boom generation ages. By doing that, we can preserve the Medicare Trust Fund without losing the trust of older Americans.

Robert E. Rubin is secretary of the Treasury. Donna E. Shalala is secretary of health and human services. Robert B. Reich is secretary of labor. Shirley S. Chater is commissioner of Social Security.

August 11, 1995

THE TRUTH ABOUT THE TRUST FUND

Secretary of the Treasury Robert E. Rubin
Secretary of Health and Human Services Donna E. Shalala
Secretary of Labor Robert B. Reich
Social Security Commissioner Shirley S. Chater

Currently, our nation is involved in a serious examination of the status and future of Medicare. The Congressional majority has called for $270 billion in cuts over the next seven years, claiming first, that Medicare is facing a sudden and unprecedented financial crisis; second, that President Clinton has not dealt with this crisis; and third, that all of their cuts are necessary to prevent it. While there is a need to address the financial stability of Medicare in a sound and reasonable way, all three of the Congressional majority's claims are simply mistaken. As Trustees of the Part A Medicare Trust Fund that is the subject of the current debate and authors of an annual report that regrettably has been used to distort the facts, we would like to set the record straight.

1. Concerns about the solvency of the Medicare Part A Trust Fund are not new.

The solvency of the Medicare Part A Trust Fund is of utmost concern to us all. Each year, the Medicare trustees examine the Part A Trust Fund to determine its short-term and long-term financial health. The most recent report notes that the Trust Fund is scheduled to run out of funds by 2002. While everyone agrees that we must take action to make sure it has adequate resources, the claim that this is a sudden crisis is unfounded.

The Medicare trustees have warned nine times that the Trust Fund would be insolvent within seven years or less. On each of those occasions, the sitting President and Members of Congress from both political parties took appropriate action to strengthen the Trust Fund.

Indeed, far from being a sudden crisis, the situation has improved over the past few years. When the President took office in 1993, the Medicare trustees predicted that the Trust Fund would be exhausted in six years -- by 1999. The President put forward a package of reforms to push back that date by three years, and the Democrats in Congress passed the plan. Again, in 1994, the President proposed a health reform plan that would have strengthened the Trust Fund for an additional five years.

So what has caused some Members of Congress to become concerned so about the Trust Fund? Certainly, not the facts in this year's Trustees Report that these Members continually cite. That report found that the Trust Fund had *improved* by a year. The only thing that has really changed is the political needs of those who are hoping to use major Medicare cuts for other purposes.

2. President Clinton has presented a plan to extend the life of the Trust Fund.

Remarkably, some in Congress have also stated that President Clinton has no plan to address the short-term Part A Medicare Trust fund issue. But he most certainly does. Under the President's balanced budget plan, payments from the Trust Fund would be reduced by $89 billion over the next seven years to ensure that Medicare benefits would be paid through October 2006 -- eleven years from now.

3. The Congressional majority's Medicare cuts are excessive: it is not necessary to cut benefits to ensure the solvency of the Trust Fund.

The Congressional majority says that their $270 billion in Medicare cuts over seven years are all necessary to save the Part A Trust Fund. Certainly, some of those savings would go to shore up the Trust Fund, just as in the President's plan. But, a substantial part of the cuts they seek -- at least $100 billion dollars -- *would seriously hurt seniors without contributing one penny to the Trust Fund.* None of those savings (taken out of what is called Medicare Part B, which basically covers visits to the doctor) would go to the Part A Trust Fund (covering mostly hospital stays). As a result, those cuts would not extend the life of the Trust Fund by one day.

And those Part B cuts would come right out of the pockets of Medicare beneficiaries, who could pay an average of $1,650 per person or $3,300 per couple more over seven years in Part B premiums alone. Total out-of-pocket costs could increase by an average of $2,825 per person or $5,650 per couple over seven years (including the cost increases caused by the Congressional majority's Part A cuts). According to a new study by the Department of Health and Human Services, these increases would effectively push at least half a million senior citizens into poverty and dramatically increase the health care burden on all older and disabled Americans and their families. The President's plan, by contrast, protects Medicare beneficiaries from any new cost increases.

As Medicare trustees, we are responsible for making sure that Medicare continues to be there for our parents and grandparents as well as for our children and grandchildren. The President's balanced budget plan shows that we can address the short-term problems of the Trust Fund -- without taking thousands of dollars out of peoples' pockets -- and give ourselves a chance to work on a bipartisan basis toward a long-term plan to preserve Medicare's financial health as the Baby Boom generation ages. By doing that, we can preserve the Medicare Trust Fund without losing the trust of older Americans.

Budget Notes

August 17, 1995

"Many Seniors Will Find That Their Choice Is Really No Choice At All"

Michael Tanner
Cato Institute
August 11, 1995

Even Cato Agrees: Seniors Will Have No Choice At All. The Congressional Majority claim that their Medicare proposal will offer seniors more choice. In reality, their plan will just coerce the elderly to either pay more or get less. Michael Tanner, the director of health care studies at the Cato Institute, agrees. He recently told the *Washington Times* (August 11, 1995) that "those seniors who do not choose the managed care option will have to pay higher premiums, deductibles, and co-payments. Thus, many seniors, particularly low-income seniors, will find that their choice is really no choice at all."

Misinformation on Medicare: You Can't Hide The Facts. The GOP cannot hide the fact that their Medicare cuts would effectively push at least 500,000 elderly Americans into poverty by 2002. They can't hide the fact that older couples will have to pay $5,650 more out of their own pockets over the next 7 years. And they can't hide the fact that they want to use their $270 billion Medicare cut to help pay for their $245 billion tax cut. Since they can't hide from the facts, they have resorted to promulgating distortions.

Myth: Republicans claim that if you use the same analysis that shows that their plan would increase Medicare beneficiaries out-of-pocket costs by at least $600 more in 2002 ($2,800 over 7 years), the President's balanced budget plan would cost the elderly $443 more seven years from now.

Reality: The President's balanced budget proposal has **NO** new Medicare cost increases. The comparison is $600 in the Republican plan vs. **ZERO** under the President's plan.

Myth: Republicans claim that the President's $124 billion in Medicare savings really amounts to $192 billion off the Congressional Budget Office (CBO) baseline.

Reality: In an analysis of the President's balanced budget proposal, CBO (see June 16, 1995 letter to Sen. Domenici) assumed that the Administration's Medicare savings amounted to "$128 billion" over seven years. Moreover, CBO and the Office of Management and Budget (OMB) have different baseline estimates for Medicare. Thus, one cannot simply compare a CBO baseline to an OMB one--it's like comparing apples to oranges. Historically, when the proper comparisons are made, CBO and OMB--despite the differences in baselines--have scored specific policies very similarly.

Congressional Majority Will Add Billions of Dollars to Older Americans' Already High Costs:

- Every beneficiary choosing to stay in the fee-for-service plan would pay at least $2,825 more in premiums and co-payments over 7 years; couples would pay at least $5,650.

- The average Medicare recipient of skilled nursing home services will pay at least $1,400 more. The average beneficiary receiving home health care services will pay at least $1,700 more in 2002.

first

Rs say 2 things: they say
~~first~~ that these cuts
aren't really cuts because
medicare spending by the
fed'l govt will still
go up ~~under~~ their plan;
~~they say ~~ second
they say that the
cuts are necessary
to save Medicare.
~~But neither of these~~
~~claims~~ This may
sound good but let's
look at the reality.

(1) —

SAMPLE OP ED FOR SENIORS

Republicans in Congress are trying to take $270 billion out of Medicare over the next seven years to pay for a $245 billion tax cut for wealthy Americans. They'd better think twice before they rob older Americans of the secure health coverage Medicare has given them for thirty years and the peace of mind it has given their families.

The Republicans claim that they are saving Medicare -- that without these massive cuts, the program can't survive. We all agree that we must protect Medicare for those of us who depend on it today as well as for our children and grandchildren. But ruining Medicare in the name of saving it just doesn't seem right to me. And that is exactly what a $270 billion cut will do.

The Republicans say that they aren't cutting Medicare, because the Federal government will spend more in 2002 than it does today. They also claim that their plan offers more choice; beneficiaries will be given "vouchers" that allow them to buy whatever kind of health coverage they want. That all sounds good, but let's look at the reality.

First, the increases the Republicans are proposing won't even keep up with the private sector. While costs in the private sector will increase by 7.1% between now and 2002, Medicare spending will grow only 4.9%. That's like giving someone a cost of living adjustment that is less than the rate of inflation. Where I come from, that's a cut.

Second, because the growth rate is so low, the Medicare benefit won't be enough to pay for the health care that people on Medicare get today. Instead, the vouchers will buy less and less over time. Beneficiaries will have to either pay more out of their own pockets or get less. And, because 75% of people on Medicare have incomes under $25,000 a year, most people will be stuck getting less. They'll be forced to give up their doctors and join managed care plans. And further, because Medicare vouchers won't keep up with costs in the private sector, those managed care plans may limit the care they give to beneficiaries. ~~Where I come from,~~ Choosing to pay more or choosing to get less is no choice at all.

Under the most conservative analysis of the Republican proposal, Medicare beneficiaries in [insert state] would pay an average of $[insert number] per person or $[insert number] per couple more over seven years. According to the Department of Health and Human Services, these increases would effectively push at least half a million older Americans into poverty.

A revised version of the Republican plan indicates that the cost increases might even be higher. This new plan suggests that beneficiaries might be required to pay as much as 50% of Medicare premiums, instead of the 25% they pay today. That means premiums would double from $43.70 to $87.40 each month by the year 2002. Republicans also propose raising the deductible for doctor bills from $100 a year to as much as $250 a year.

The Republicans say that they need these cuts to save the Medicare Trust Fund. But they won't tell you that the Trust Fund is in better shape now than when President Clinton came into office thanks to his 1993 budget -- which every Republican opposed. They won't tell you that the President's balanced budget plan would put the Trust Fund in better shape than it has been in 12 out of 20 reports the trustees have issued. And they won't tell you that the increased costs for people on Medicare won't go into the Trust Fund.

President Clinton has a plan to balance the budget without rolling back thirty years of progress against poverty and fear for older Americans and their families. His budget will eliminate the deficit and secure the financial health of the Medicare program, while protecting older Americans. Under his plan, he would ensure that the Medicare Trust Fund would be strong through the year 2006 -- eleven years from now. And he would do this *without any new cost increases for Medicare beneficiaries*. The President's balanced budget plan shows that we can address the short-term problems of the Trust Fund -- without taking thousands of dollars out of people's pockets -- and give ourselves a chance to work together on a bipartisan basis toward a long-term plan to preserve Medicare.

Guaranteed health care for older Americans is now so much a part of our lives that it is easy to forget how growing old once meant growing poor in this country. But in 1965, over a third of older Americans were poor, and half were uninsured. Since then, Medicare has lifted millions out of poverty and provided insurance for almost every older American. And since then, Medicare has meant that families don't have to choose between doing right by their parents and giving their children the opportunities they deserve. Medicare is simply too important to all American families to let Republicans use it as a piggy bank to pay for tax cuts.

SAMPLE OP ED FOR SENIORS

Republicans in Congress are trying to take $270 billion out of Medicare over the next seven years to pay for a $245 billion tax cut for wealthy Americans. They'd better think twice before they rob older Americans of the secure health coverage Medicare has given them for thirty years and the peace of mind it has given their families.

The Republicans claim that they are saving Medicare -- that without these massive cuts, the program can't survive. We all agree that we must protect Medicare for those of us who depend on it today as well as for our children and grandchildren. But ruining Medicare in the name of saving it just doesn't seem right to me. And that is exactly what a $270 billion cut will do.

The Republicans say that they aren't cutting Medicare, because the Federal government will spend more in 2002 than it does today. They also claim that their plan offers more choice; beneficiaries will be given "vouchers" that allow them to buy whatever kind of health coverage they want. That all sounds good, but let's look at the reality.

First, the increases the Republicans are proposing won't even keep pace with the private sector. While costs in the private sector will increase by 7.1% between now and 2002, Medicare spending will grow only 4.9% That's like giving someone a cost of living adjustment of 3% as costs are rising by 5%. Where I come from, that's a cut.

Second, because the growth rate is so low, the Medicare benefit won't be enough to pay for the health care that people on Medicare get today. Instead, the vouchers will buy less and less over time. Beneficiaries will have to either pay more out of their own pockets or get less. And, because 75% of people on Medicare have incomes under $25,000 a year, most people will be stuck getting less. They'll be forced to give up their doctors and join managed care plans. And further, because Medicare vouchers won't keep up with costs in the private sector, those managed care plans may limit the care they give to beneficiaries. Where I come from, that's no choice at all.

Under the most conservative analysis of the Republican proposal, Medicare beneficiaries in [insert state] would pay an average of $[insert number] per person or $[insert number] per couple more over seven years. According to the Department of Health and Human Services, these increases would effectively push at least half a million older Americans into poverty and burden all older Americans and their families.

A revised version of the Republican plan indicates that the cost increases might even be higher. This new plan suggests that beneficiaries might be required to pay as much as 50% of Medicare premiums, instead of the 25% they pay today -- meaning that premiums would double by the year 2002. Republicans also propose raising the deductible for doctor bills from $100 a year to as much as $250 a year.

President Clinton has a plan to balance the budget without rolling back thirty years of progress against poverty and fear for older Americans and their families. His budget will eliminate the deficit and secure the financial health of the Medicare program, while protecting older Americans. Under his plan, he would ensure that the Medicare Trust Fund that the Republicans seem so worried about would be strong through the year 2006 -- eleven years from now. And he would do this *without any new cost increases for Medicare beneficiaries*. The President's balanced budget plan shows that we can address the short-term problems of the Trust Fund -- without taking thousands of dollars out of people's pockets -- and give ourselves a chance to work together on a bipartisan basis toward a long-term plan to preserve Medicare.

Guaranteed health care for older Americans is now so much a part of our lives that it is easy to forget how growing old once meant growing poor in this country. But in 1965, over a third of older Americans were poor, and half were uninsured. Since then, Medicare has lifted millions out of poverty and provided insurance for almost every older American. And since then, Medicare has meant that families don't have to choose between doing right by their parents and giving their children the opportunities they deserve. Medicare is simply too important to all American families to let Republicans use it as a piggy bank to pay for tax cuts for the wealthy.

SAMPLE OP ED

Republicans in Congress are trying to take $270 billion out of Medicare over the next seven years to pay for a $245 billion tax cut for wealthy Americans. They'd better think twice before they rob older Americans of the secure health coverage Medicare has given them for thirty years and the peace of mind it has given their families.

The Republicans claim that they are saving Medicare -- that without these massive cuts, the program can't survive. We all agree that we must protect Medicare for those of us who depend on it today as well as for our children and grandchildren. But ruining Medicare in the name of saving it just doesn't seem right to me. And that is exactly what a $270 billion cut will do.

The Republicans say that they aren't cutting Medicare, because the Federal government will spend more in 2002 than it does today. They also claim that their plan offers more choice; beneficiaries will be given "vouchers" that allow them to buy whatever kind of health coverage they want. That all sounds good, but let's look at the reality.

First, the increases the Republicans are proposing won't even keep up with the private sector. While costs in the private sector will increase by 7.1% between now and 2002, Medicare spending will grow only 4.9%. That's like giving someone a cost of living adjustment that is less than the rate of inflation. Where I come from, that's a cut.

Second, because the growth rate is so low, the Medicare benefit won't be enough to pay for the health care that people on Medicare get today. Instead, the vouchers will buy less and less over time. Beneficiaries will either have to pay more out of their own pockets or get less. And, because 75% of people on Medicare have incomes under $25,000 a year, most people will be stuck getting less. They'll be forced to give up their doctors and join managed care plans. And further, because Medicare vouchers won't keep up with costs in the private sector, those managed care plans may limit the care they give to beneficiaries. Choosing to pay more or choosing to get less is no choice at all.

Under the most conservative analysis of the Republican proposal, Medicare beneficiaries in [insert state] would pay an average of $[insert number] per person or $[insert number] per couple more over seven years. According to the Department of Health and Human Services, these increases would effectively push at least half a million older Americans into poverty.

A revised version of the Republican plan indicates that the cost increases might even be higher. This new plan suggests that beneficiaries might be required to pay as much as 50% of Medicare premiums, instead of the 25% they pay today. That means premiums would double from $43.70 to $87.40 each month by the year 2002. Republicans also propose raising the deductible for doctor bills from $100 a year to as much as $250 a year.

The Republicans say that they need these cuts to save the Medicare Trust Fund. But they won't tell you that the Trust Fund is in better shape now than when President Clinton came into office thanks to his 1993 budget -- which every Republican opposed. They won't tell you that the President's balanced budget plan would put the Trust Fund in better shape than it has been in 12 out of 20 reports the trustees have issued. And they won't tell you that the increased costs for people on Medicare won't go into the Trust Fund.

President Clinton has a plan to balance the budget without rolling back thirty years of progress against poverty and fear for older Americans and their families. His budget will eliminate the deficit and secure the financial health of the Medicare program, while protecting older Americans. Under his plan, he would ensure that the Medicare Trust Fund would be strong through the year 2006 -- eleven years from now. And he would do this *without any new cost increases for Medicare beneficiaries.* The President's balanced budget plan shows that we can address the short-term problems of the Trust Fund -- without taking thousands of dollars out of people's pockets -- and give ourselves a chance to work together on a bipartisan basis toward a long-term plan to preserve Medicare.

Guaranteed health care for older Americans is now so much a part of our lives that it is easy to forget how growing old once meant growing poor in this country. But in 1965, over a third of older Americans were poor, and half were uninsured. Since then, Medicare has lifted millions out of poverty and provided insurance for almost every older American. And since then, Medicare has meant that families don't have to choose between doing right by their parents and giving their children the opportunities they deserve. Medicare is simply too important to all American families to let Republicans use it as a piggy bank to pay for tax cuts.