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THE WHITE HOUSE
WASHINGTON

SPEECH TO THE NATIONAL COUNCIL OF SENIOR CITIZENS

DATE: July 2, 1996
LOCATION: Hyatt Regency, Chicago, IL
TIME: 2:00-2:45 PM
FROM: Alexis Herman
Bill White

I. PURPOSE

To energize senior leaders by articulating the commonality of our positions on key senior issues, including Medicare, Medicaid, and the Older Americans Act.

II. BACKGROUND

The National Council of Senior Citizens (NCSC), the first national senior organization to endorse you in 1992, has over 2,000 councils across the country, and reaches an audience of 2 million seniors, 70% of whom are labor retirees. Founded in 1961 to work towards the passage of Medicare and Medicaid, Lyndon Johnson said, "Without the National Council of Senior Citizens, there would have been no Medicare."

You will be speaking to the 21st Constitutional Convention of the NCSC which will attract 2000 national senior leaders. The convention will focus on the future of Medicare and Medicaid, Social Security, and the Older Americans Act (OAA). NCSC is one of the national senior organizations that receives funding through the OAA for senior employment programs, a program that has been the target of the Congress.

NCSC has consistently supported the Administration, both substantively and politically. Early in the Administration, NCSC worked to support the economic stimulus package and endorsed the Health Security Act. During the budget battle of 1995, NCSC mobilized to fight Congressional attempts to cut Medicare and Medicaid, orchestrating a number of events that were effective at generating media, including:

- o Medicare & Medicaid 30th Anniversary Celebrations held around the country last year. You spoke at their event on Capitol Hill in July, 1995.
- o A Capitol Hill Rally of 3,000 seniors with a Trojan Horse on Capitol Hill denouncing the GOP's "promise" to save Medicare.
- o A 2,500 seniors rallied at Lafayette Park in support of the your promise to veto the GOP budget.

Many of the NCSC members you will be addressing were members of the White House Conference on Aging last year, and a select few have participated in your Map Room Coffee discussions. This fall, NCSC members from around the country will form a key component to our senior citizens outreach efforts. The campaign is reviewing a proposal from NCSC that would highlight the Medicare and Medicaid issue at the Convention. In 1992, 20% of the voters were seniors.

The three day convention will also be addressed by Representatives Richard Gephardt (D-MO), John Dingell (D-MI), John Lewis (D-GA), David Obey (D-WI), Ed Pastor (D-AZ), Richard Durbin (D-IL), and Bobby Rush (D-IL); Marian Wright Edelman; Justin Dart; Social Security Commissioner Shirley Chater; and key labor leaders.

You will be introduced by Tom Buffenbarger, a NCSC Board Member and General Vice President of the International Association of Machinists, and Lois Wellington, President of the Congress of California Seniors (NCSC's State Chapter).

III. PARTICIPANTS

Steve Protulis, NCSC Executive Director

Lois Wellington, President - Congress of California Seniors (NCSC's State Chapter)

Tom Buffenbarger, NCSC Board Member & VP - International Assoc. of Machinists
2000 NCSC leaders

IV. PRESS PLAN

Open to the press.

V. SEQUENCE OF EVENTS

- o Upon arrival, you will be greeted by Steve Protulis, and proceed back stage.
- o You will be announced off stage and proceed to your seat on dias.
- o Tom Buffenbarger will deliver welcome and introduced Louis Wellington.
- o Lois Wellington will introduce you.
- o You will proceed to podium and deliver remarks.
- o You exit stage, work ropeline and proceed to photo opportunity with the leadership of NCSC.
- o You depart.

VI. REMARKS

To be provided by speechwriting.

Attachments

Tab A:	Medicare and Medicaid Background Papers
Tab B:	Medicare Trust Fund Update & Talking Points
Tab C:	Social Security Advisory Council Background
Tab D:	Administration Accomplishments for Older Americans

Fact Sheet

NATIONAL COUNCIL OF SENIOR CITIZENS

The History of the NCSC

- 1961** The NCSC opens its doors in a Washington, D.C. hotel. The space is so cramped, the mimeograph machine is located in the bathtub.
- 1962** President Kennedy speaks to an NCSC rally of 18,000 senior citizens in Madison Square Garden in support of Medicare. Simultaneous rallies are organized by the NCSC in 30 other states.
- 1963** President Kennedy and Vice President Johnson address the second NCSC convention and pledge their support for Medicare.
- 1965** Medicare is passed by the House and Senate and signed into law. President Johnson flies with NCSC Board members to Independence, Missouri, to sign the bill into law in front of former President Truman. The Older American Act is passed.
- 1968** U.S. Department of Labor selects the NCSC to operate its Senior AIDES program, a community service employment program for the elderly poor.
- 1975** National Council of Senior Citizens successfully advocates for reduced mass transportation fares for the elderly who are on fixed incomes.
- 1975** NCSC pickets HUD over Nixon Administration's freeze of funding for senior housing.
- 1977** NCSC creates NCSC Housing Management Corp. NCSC is now one of the largest sponsors of senior housing in the U.S.
- 1978** With support from the NCSC, the "Meals-on-Wheels" program passes Congress and begins to provide food to elderly shut-ins.
- 1981** NCSC rally to protest Social Security cuts brings 10,000 people to Capitol Hill steps.
- 1985** NCSC publishes a report on "Abusing the Elderly" which details drug experimentation on nursing home patients without their prior consent.



NATIONAL COUNCIL OF SENIOR CITIZENS

1331 F STREET, N.W. • WASHINGTON, D.C. 20004 • (202) 347-8800



- 1986** NCSC exposes how for-profit hospitals are routinely dumping patients after they can no longer afford to pay their bills.
- 1988** NCSC completes its 20th year of operating the Senior AIDES program for the U.S. Department of Labor; the program now employs over 10,300 low-income senior citizens.
- 1990** NCSC successfully pushes for increased regulation of Medigap insurance policies to prevent unscrupulous insurance salesmen from ripping off senior citizens.
- 1992** For the first time in its 31-year history, the NCSC endorses a Presidential candidate — Bill Clinton. NCSC prints and distributes millions of brochures explaining why Clinton is most likely to deliver on the issue of greatest concern to senior citizens — health care.
- 1993** President Clinton signs into law the Family Medical Leave Act which allows family members to take unpaid leave to care for seriously ill family members, including parents and grandparents.
- 1993** President Clinton meets with the NCSC Executive Committee to discuss health care reform. Later, NCSC is the first organization to testify for health care before the President's health care task force.

Fast Facts About NCSC

Senior Housing: The NCSC is one of the largest sponsors of housing for the elderly and handicapped, with more than 4,000 tenants in 30 buildings valued at more than \$175 million.

Senior Jobs: In conjunction with the U.S. Department of Labor, the NCSC operates more than 149 Senior AIDES projects which employ more than 10,300 low-income senior citizens nationwide.

An Active Organization: The NCSC is one of the largest nonprofit organizations in the United States with over 5 million affiliated members and associates. With 5,000 senior clubs, the NCSC is able to keep its pulse on the concerns of older Americans and translate those concerns into real political muscle.

A Leadership Voice: The NCSC has been one of the leading voices for older Americans for more than 32 years. Lyndon Johnson said, "Without the National Council of Senior Citizens, there would have been no Medicare."

482-7126
President
Eugene Glover
Silver Spring, MD



National Council of Senior Citizens

Executive Director
Steve Protulis
Washington, DC

1331 F Street, N.W. • Washington, DC 20004-1171 • (202) 347-8800 • FAX (202) 624-9595

MEMORANDUM

TO: Bill White, Office of Public Liaison, The White House
FROM: Cindy Fithian, Director of Political Education
RE: Talking Points for President Clinton's Speech to NCSC's
Convention in Chicago, July 2
DATE: June 27, 1996

I will have to get back to you on the acknowledgements in addition to Steve Protulis. He is in a meeting.

1) **LBJ quotes:** "No longer will older Americans be denied the healing miracle of modern medicine, no longer will illnesses crush and destroy the savings they have so carefully put away over a lifetime so that they might enjoy dignity in their later years. No longer will young families see their incomes and their own hopes eaten away simply because they are carrying out their deep moral obligations." That was President Lyndon B. Johnson at the signing of the Medicare legislation in July 1965. ✓

2) President Lyndon Baines Johnson, June 1966, just before the implementation of the Medicare program, speaking to the National Council of Senior Citizens. "Medical care will free millions from their miseries. It will signal a deep and lasting change in the American way of life. It will take its place beside Social Security, and together they will form the twin pillars of protection upon which all our people can safely build their lives and their hopes."

That was President Johnson in June 1966. And then President Clinton could say something like: "Thirty years ago, this month, as the late President Lyndon Baines Johnson stood before you and shared his vision of what Medicare would do for this country. I am here today to promise you that I will fight to keep that vision alive."

3) **Quote about NCSC:** "Every family in America owes the National Council of Senior Citizens a debt of gratitude, not just for making Medicare possible, but for leading the fight to save Medicare for the next generation. You are true warriors for America's retirees and there is no one I'd rather have with me in the fight ahead." } TOO HEAVY

4) Please ask that the President announce the appointment of Bill Dodds working with Alan Wheat as the Seniors Outreach Coordinator for the Clinton/Gore reelection campaign. (Bill Dodds is an NCSC General Policy Board member and will be in attendance on Tuesday.)] ?

5) See attached talking points for speech material.

Thanks, Bill, please call me with any questions—(312) 565-1234, Chicago Hyatt Regency.

First Vice President, Dr. Mary C. Mulvey, Providence, Rhode Island Second Vice President, George J. Kourpias, Washington, DC
Third Vice President, Dorothy Walker, Detroit, Michigan Fourth Vice President, Royetta K. Sanford, Washington, DC
Secretary-Treasurer, Jack Turner, Detroit, Michigan General Counsel, Robert J. Mazer, New York

Beyond Partisan Politics

I do not believe the programs we are talking about today are about left or right... Republican or Democrat... liberal or conservative. Good men and women exist in both parties and I have the greatest respect for many individual Republican members of Congress. But the current Republican leadership in the House and Senate will allow no debate... They are apparently more interested in pantomiming about family values... than stepping up to the plate to defend programs that are vital to the interests of American families.

Same Old Battle

We are in engaged in a might battle... the same old battle we have been fighting for 30 years.... A battle against the same people making the same arguments... We battle today against the Insurance Industry... which spent more than 100 million dollars last year defeating all efforts at health care cost containment. We battle against the National Association of Manufacturers... who opposed wage and hours laws... who opposed OSHA... who opposed Medicare... folks always willing to sacrifice the bodies and lives and jobs of American workers in order to squeeze out a few cents more profit. We battle against the National Chamber of Commerce... the organization that opposed Social Security in 1935... and opposed Medicare in 1965. These are the folks who back the Republican effort to CUT \$450 billion out of the Medicare

Take Action on Senior Issues

The battle for Medicare and Medicaid and the Older Americans Act... is a VITAL battle. It is battle vital to the health and economic security of every older American... and every working American who expects to grow old.

Message of Republicans

The essential message of the Republican party is that of the social Darwinist — the belief that helping the poor... and helping the sick... and helping the disadvantaged... ultimately leads to a weaker society full of weak and dependent people. The essential message of the Republican Party is that we are all loners... and that we must force everyone in society to stand on their own two legs... or else suffer the consequence by spending the rest of their lives crawling on their knees.

Message of Democrats

The essential message of the DEMOCRATIC PARTY is that we are all in this together... that we are one community... that we can become a Great Society... by pooling our efforts and resources in order to minimize human suffering. The Democrats believe in a complex covenant between rights and responsibilities that we call the Social Contract. It is the DEAL... we refer to when we talk about the New Deal... and the Square Deal... and the Fair Deal. The essential message of the Democratic Party is that the United States is a society based on mutual obligation... that we are not 260 million individuals without connection or obligation... but one nation forged out of many. The essential message of the Democratic Party can be found on every coin in your pocket... *E Pluribus Unum*.

President as Preacher

It has been said that to be President of the United States, is to be a preacher speaking to the world's largest congregation... a voice booming from a mighty bully pulpit, urging people to do the right thing. Now a true preacher — a true leader — sticks to a few elemental truths and tries to teach them a variety of ways. A good preacher sticks to the four or five things he knows to be true. And that, I would argue, is the reason we should all vote for Bill Clinton in 1996... Because Bill Clinton knows elemental truths that Bob Dole does not!

Bill Clinton knows that America cannot be made rich by impoverishing families...

Bill Clinton knows that America cannot be made healthy by sacrificing health care for senior citizens, the disabled, and poor children...

Bill Clinton knows that America cannot protect its future by scrimping on educational opportunities for the young...

Bill Clinton knows that America cannot hope to lecture other nations about human rights while turning the elderly and disabled out of nursing homes and into the streets.

Family Values versus valuing families

America's families are a mess, and we all know it. Half our marriages are ending in divorce, babies are being born out of wedlock at an astounding rate, our schools are weak, wages have been frozen for 20 years, and our health care costs are skyrocketing. Families are in crisis. And the response to this family crisis is the essential difference between Bob Dole and Bill Clinton. You see, while Bob Dole pantomimes and postures about "family values," Bill Clinton has been pushing important policies that show he actually values families. It was during the Clinton Administration, for example, that the Family Medical Leave Act was passed — the law that allows people to take time off from work without getting fired in case of a medical emergency such as the hospitalization of a child or devastating illness suffered by a parent or spouse. Bob Dole opposed that legislation. It was the Clinton Administration that fought to preserve and protect the student loan program so that middle and low-income kids would still have the opportunity to go to college. Bob Dole voted to cut student loans. It is the Clinton Administration that is fighting to protect the environment — even as the Republicans try to kill EPA enforcement of legislation to keep raw sewage off our beaches. It is the Clinton Administration that signed into law legislation protecting access of the disabled to public spaces . . . and it is the Clinton Administration that has stood time and time again in defense of the Medicare and Medicaid programs that provide basic health care services to one in four Americans. Bob Dole voted to gut \$450 billion out these programs, and voted against the Medicare and Medicaid programs in 1965. While the radical Republican Congress of Newt Gingrich and Bob Dole has been hell-bent on destroying working programs, Bill Clinton has shepherded important legislation vital to the interests of America's working families.

Health Care is Everything

Right now health IS everything for both workers and retirees. At both the collective bargaining table and at the budget conference table in Congress we are going through the exact same drill about health care: both management and Congress want to give us less, and charge us more. And without real reform, we're not going to be able to keep what we have now. It's just that simple.

Origins of the Health Care Debate

Four years ago the unions and the retiree community, led by the National Council of Senior Citizens, went to candidate Bill Clinton to talk about the health care crisis in America. Let me tell you what Bill said: he made us a promise. He promised that he would put the health care debate front and center if he was elected President. President Clinton followed through on that promise! Today, in employment halls and pool halls, day care centers and churches, Americans are actively debating how to control runaway health care costs. That debate was not launched by Bob Dole and Newt Gingrich . . . that debate was launched by Bill Clinton!

It's Still the Economy, Stupid

It's been said that when it comes to the economy, the President is a little like the first mate on a sail boat: he never gets credit when the boat sails smoothly, but the minute it hits the dock, see who catches hell! Well the ship of state is sailing pretty smoothly . . . and I think if we're going to blame the President when the economy turns down, we ought to be fair and praise him when it turns up! But instead of praise, we hear a deafening silence from the Republican side of the aisle. They are hoping WE won't ask the question THEY once asked: "Are you better off now than you were four years ago?" Do you remember how bad things looked back in 1992 after 12 years of Reaganomics? Back then candidate Clinton taped a sheet of paper to his mirror to remind himself every morning to focus his message on the most critical problem facing this nation. It said simply: "It's the economy, stupid." So how is the economy? Well, it's pretty good! The stock market just had a record run of over 30 percent growth and is at its highest level ever recorded. Our balance of trade is getting better, not worse. The deficit is getting smaller, not larger. The inflation rate is low. Unemployment is at its lowest point in the last quarter century. Now, everything is not hunky dory: a lot of companies are registering a better bottom line by throwing more workers on to the unemployment line. Wages remain stagnant, as they have for almost 20 years. Still, taken as a whole, it's hard not to say that the economy is doing anything but roaring along, even if the heat is a little uneven!

Show Up, Suit Up, and Speak Up

If we suit up . . . show up . . . and speak up in defense of core family programs, everyone will win. Our families will win. Our kids will win. Seniors will win. Students will win. Workers will win. And in the end, the NATION will win, because we will have secured America's future from those that would turn back the clock to a time before Medicare . . . before Medicaid . . . before Social Security . . . before wage and hour laws . . . before pension protection . . . before anti-discrimination laws.

Gingrich's False Choices

House Speaker Newt Gingrich says he wants to get rid of Medicare all together and replace it with something else — he is not quite sure with what, maybe a voucher system. When asked why such a system was needed, he exposed his deep-seated knowledge about what he was talking about — he said Medicare was a wasteful bureaucracy that didn't give seniors enough choice. A wasteful bureaucracy? The truth is that Medicare spends only 2.5 percent on administration. No choice? The truth is that Medicare gives seniors the choice of any doctor they want . . . including the choice of joining an HMO or health maintenance organization. Someone on our staff described Newt Gingrich's "solution" as tantamount to "radical surgery on a healthy patient by a blind and over-caffeinated doctor," and I think that's about right. But it shows you what we're up against, and what we're going to have to fight.

Defining Success

In this next Congress, our agenda must be clear. . . . and if you ask me what success looks like I have no problem articulating it: It is to preserve what we already have. It is to keep the Republicans from sacrificing Social Security and Medicare on the altar of voodoo economics. It is to make sure that the elderly continue to be treated with the dignity they deserve, and the income and health security they have come to expect.

Defining the Battle

If this battle is framed and fought as a battle between seniors and everyone else, **WE ALL LOSE**. We need to get past the politics of division. That is the Republican strategy — to divide and conquer . . . to set black against white, young against old, haves against have nots. The essential message of the Republican party is that we cannot make it to the Promised Land without dropping off some of the young and the old, the sick and the poor, on the side of life's highway. The essential message of the Republican party is that if America is to be great, sacrifices will have to be made . . . and they have a list of the people they are more than willing to sacrifice.

Family Values

FAMILY VALUES is not a Republican idea. . . . it is a **DEMOCRATIC** idea. It is the **DEMOCRATS** that value families . . . not Republicans. We need to blast a hole in their pantomime about family values. . . . and it is not that hard to do so. You cannot be serious about family values . . . when your platform calls for putting children into orphanages. You cannot be serious about family values . . . when your platform calls for cutting Medicare and Social Security . . . and forcing more seniors on to the poverty rolls. You cannot be serious about family values . . . when your platform is cutting the school lunch program . . . and the Meals on Wheels program . . . and congregate meal centers for the elderly. You cannot be serious about family values . . . when you refuse to talk about day care for small children . . . or eldercare for our oldest and most infirm seniors. You cannot be serious about family values when every major program initiative you undertake . . . is focused on destroying those programs that support America's families.

Families are Hurt

Medicare and Medicaid are family programs. It is families that are hurt when life is slowly squeezed out of the Medicare and Medicaid programs. It is families that must pick up the broken pieces of a shattered health care system . . . that must come up with the extra cash . . . that must suffer the sickness . . . that must bury those who cannot afford adequate health care .

Programs, People and Elections

Medicare . . . and Medicaid . . . and Social Security . . . and the Older Americans Act . . . are family programs. They are programs about people. And you know something? . . . ELECTIONS ARE ABOUT PEOPLE TOO. . . That's the good news. . . We have the power to derail these cuts. . . We have the power to save the Medicare system . . . and force a solution to the Medicare problem that does not require sacrificing health care for the elderly . . . that does not require sacrificing health care for the poor . . . that does not require gutting working and popular programs.

Warriors Needed

HAVE NO ILLUSION . . . We will not win this battle if you sit idle in your chairs and take no action. We will not win this battle if you do not call your Senators and Representatives.
We will not win this battle without WARRIORS . . . without activists and leaders who are willing to step up to the plate and do the kind of work needed to create the HEAT needed to make Congress see the LIGHT.
We will not win this battle if we do not organize and speak out and demand to be heard. We will not win this battle if this battle remains a FACELESS battle . . . fought by blow-dry politicians . . . conjugating numbing numbers.

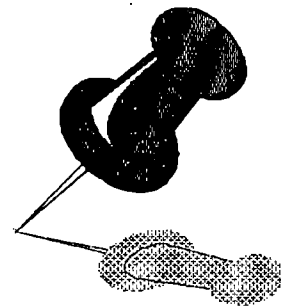
Legislative Lifeboats

For 30 years the Older Americans Act has served as a LEGISLATIVE LIFEBOAT for millions of older Americans who might otherwise go hungry . . . be forced into expensive Medicaid nursing homes . . . or fall into poverty due to an inability to find work. Dismantling this lifeboat — this WORKING and EFFECTIVE legislation — is sheer madness.

Medicare Cannot Be Allowed to Be Whittled Away

We cannot let Medicare be reduced to the level of Mercurochrome and band-aids, but that is what is being done. Right now, Medicare pay only half of all health care costs for America's elderly . . .

From the Desk of
Patrick Burns
National Council of Senior Citizens
(202) 624-9583



TO: Bill White

Here's the video transcript. It's been a very popular video -- a standing ovation at the building trades conference! Give me a call if you need anything else -- my home phone is 703-528-7675.

Glad to hear Steve Bahar is doing advance in Chicago. I liked working with him on the July 25th 30th Anniversary of Medicare event with the President and Vice President. A straight shooter of the first order.

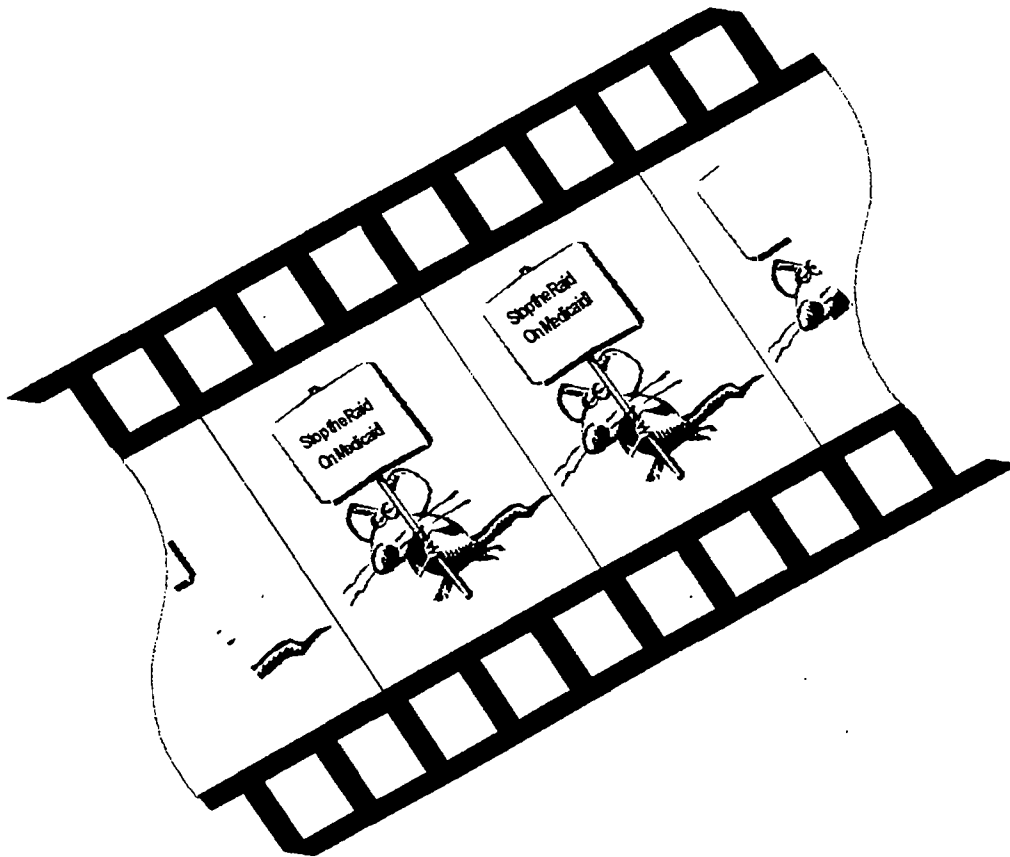
Hope you are doing well.

Patrick

*Bill White
6-7032*

The Battle For Medicare

Video Script January, 1996



National Council of Senior Citizens
Patrick Burns, Director of Communications
(202) 624-9583

Draft 1

Tape	Pictures	Sound
"Fighting for Medicare" - DNC 30th Anniversary tape	Black screen fade up to picture Black woman: White woman. White man.	<u>Music intro very soft</u> <i>"We have paid our dues and our insurance and then they come and CUT, and I don't think it's fair.</i> <i>"If it hadn't been for Medicare and Social Security I probably wouldn't have a home to live in today."</i> <i>"I think it's an outrage -- immoral -- that people already well off, already rich, want to take money from people who are on the edge in life -- it ought not to happen.</i>
Character Generate McNeil-Lehrer 9-27-95 7 pm or DNC "Fighting for Medicare"	Title: The Battle for Medicare Short B Roll -- pressure cuff, hands opening medicine bottle or Medicare card graphic	<u>Music crescendo</u> Medicare is under attack from the very forces that opposed the program more than 30 years ago.
Beta version of Dole tape from DNC	Bob Dole speech tape - freeze Dole and fade	<i>"I was there, fighting the fight, voting against Medicare, one out of twelve, because we knew it would not work in 1965."</i>
DNC 30th Anniversary tape	Fade up Dick Armey stat. pic. fade	<u>Medicare under attack.</u> Not just from old-line opponents, but also from a new radical leadership in Congress. Majority leader Dick Armey says Medicare is <i>"A program I would have no part of in a free world."</i>
Beta version of Newt tape from DNC	Fade up Gingrich tape	House Speaker Newt Gingrich describes his long-term plans for Medicare <i>"Now we don't get rid of it in round one because we don't think that that's</i>

		<i>politically smart and we don't think that's the right way to go through a transition period. But we believe it's going to wither on the vine. . . ."</i>
	Freeze Newt and reduce to portrait	Wither on the vine?
	Fade up with Armeiy in portrait	No place for in a free world?
	Fade up with Dole in portrait	Never work?
PBS Nightly News Report 9-29-95	Senior in doctor's office	To America's seniors and America's working families who rely on Medicare and Medicaid, these are fighting words . .
Beta of NCSC history	Old tape of NCSC Members coming off of buses.	and the National Council of Senior Citizens . . . the organization that led the Medicare debate in 1965 . . .
BWABC New Jersey Sept 29, 1995	fade into new tape of NCSC Members coming off of bus.	came out swinging . . . in 1995.
Richmond Oct 9, 1995	NCSC picketing	<u>Relay of voices and pictures:</u> <i>"Members of the National Council of Senior Citizens protested. . . ."</i>
2 News at 5 Fox St. Louis, 11-09-95	Crowd at Capitol shot	<i>"Hundreds of senior citizens showed up in front of the Capitol"</i>
	Protest sign shot	<i>" . . . members of the NCSC, which have been disrupting for weeks. . . ."</i>
Today Show 10-19-95	Candlelight vigil pictures	<i>"marked eve of debate with candle light vigil."</i>
PBS Nightly Business Report, 9-29-95	Stock B-roll of seniors walking down boardwalk	The battle for Medicare is part of a larger battle . . .

DNC 30th Anniversary of Medicare and McNeil- Lehrer 9-27-95	senior faces. . . . and pressure cuff	. . . a battle we have been fighting our entire lives.
"For a better tomorrow"	picketing protest signs hammering in coke furnace at mill laboratory	A battle for better health care . . . better wages . . . improved working conditions and increased educational opportunities for our kids.
DNC Fighting for Medicare video	Medicare card graphic of health care numbers. graphic of poverty numbers graphic of who benefits	Medicare is one of the proudest achievements in American life. Today 99 percent of older Americans have health care coverage, compared with just one half of seniors citizens 30 years ago. Before Medicare one in three seniors lived in poverty. Today only one in eight does. Medicare helps those who need it most. 83 percent of Medicare benefits go to those with incomes of \$25,000 or less.
Newt Gingrich photo - matt cam'd or DNC stock if available	Newt Gingrich fades into	<u>Music - "Brother Can You Spare a Dime?"</u>
Beta version of NCSC History tape	Depression pic's	Yet today there are those who are attacking Medicare. A new Republican leadership wants to turn back the clock to a time when America didn't have a social safety net . . to a time before wage and hour laws, before OSHA, before Medicare, Medicaid and Social Security protected America's workers and America's working families.

Get stills from Bette

Senior citizens on union picket lines -
still photo or pan'd shot

The battle for Medicare is an old battle . . . and NCSC is proving once again that old techniques and old alliances can still work -- in the modern world.

LIPA Footage

Trumka

Trumka: *"Brothers and sisters, there's only one way . . . one way that working people have ever won in the past, and there's only one way that we'll ever win in the future. And it isn't by sitting back, it isn't by kicking back, and it isn't by laying back. Brothers and sisters, it's by standing together shoulder to shoulder and fighting back, all of us together, all of us united. . . ."*

Richmond, October 9, 1995 and Portland, Maine, Fox 51, Oct. 5, 1995

Picket signs in Richmond and/or Maine tape

Fighting back means action . . . and it means organizing . . . and it means creating heat. . . until the politicians see the light.

CNN, June 11, 1995

Newt and Bill in NH.

We know what a handshake and a smile gets you from this Republican-controlled Congress.

Shaking hands in slow-mo and then stopped and frozen for last two words.

When Newt Gingrich and Bill Clinton met at the National Council of Senior Citizen's housing development in Claremont, New Hampshire, it was the first time in history that the

		President of the United States and the Speaker of the House had ever appeared at a joint town meeting. The topic: <u>Medicare</u>. The outcome . . . <i>ABSOLUTELY NOTHING</i>. The Reason: Newt Gingrich and the Republican freshman had already decided they were not going to allow discussion or debate — that they were going to <u>ram through Congress</u>, without discussion — legislation that promised to harm every American family. Sam Gibbons: <i>"This is a pure railroad. This is a pure railroad. No one can talk. No one can ask questions. You all are dictators, that's all you are."</i> Charlie Rangell: <i>"You haven't had a hearing and you're taking 270 billion away from the poor."</i> The National Council of Senior Citizens swung into action. NCSC's retired union members testified at hearings held on the Capitol lawn when the Republican leadership would not give the Democrats a forum. Kranz: <i>"What I have seen and heard has led me to equate this attack as disasterly as the sneak attack on Pearl Harbor . . . They seek to bomb and shell seniors into a sea of HMOs . . . Only one days' hearings on a secret plan."</i>
McNeil-Lehrer, 9-27-95	John Kasich and Newt Gingrich shaking hands	
McNeil-Lehrer, 9-27-95	Sam Gibbons tape	
CNN Early Prime 9-22-95, 5 pm, 8.24 minute segment	Brawl in the Hall w/ Charlie Rangell	
CNN Early Prime 9-22-95, 5 pm, 8.24 minute segment	Harry Kranz retired as union retiree	

CBS Evening News
9-22-95

Streaming gagging
grannies video tape

Gagged members of the National Council of Senior Citizens stormed committee rooms to protest the exclusion of working and retired Americans from the Medicare and Medicaid debates.

GMA 10-12-95
Fox News at 9, Houston
10-11-95

Teresa being arrested
tape

Activist members of the National Council of Senior Citizens shut down committee markups on Capitol Hill by simply showing up and demanding to be heard . . .

'Bliley: will the clerk arrest these people . . . lights went away . . . Paddy wagon. Cut away to Teresa who is "still outraged"

Stripped from
CBS 9-22
ABC 9-22-95
CNN 9-22-95

News logo montage of
CBC News, NBC
Today
Crossfire, CNN

The National Council of Senior Citizens took to the airwaves, debating opponents on CNN, CNBC, C-Span, The Today Show, Cross Fire, Donahue. . . and making our case in every major newspaper in the United States.

Donahue Tape

Donahue Show

Donahue, Julia Searles: *"I live off of less than \$500 a month."*

Donahue Show

Donahue: *"Let's not forget this. . . . there are 35 million Americans without insurance at all. You know to have your savings wiped out after sending kids . . . wiped out when you're seventy. .. is UNAMERICAN!"*

Maine, Fox 51, Oct. 5,
1995

Maine clips

The National Council of Senior Citizens turned up the heat in Washington and in the field. . . . protesting the bulldozing of Medicare legislation in Maine. . . .

Richmond, October 9,
1995 and Portland

Richmond picket footage
(2)

Setting up pickets in Richmond

CNN June 11, 1995 New Hampshire	B-roll of seniors in NCSC hats and woman asking questions with hats all around her	and holding town hall meetings in Chicago, Seattle, Cleveland, Detroit, Richmond, Philadelphia, Miami, Los Angeles, Rhode Island, Iowa, Montana, and across the nation.
Chicago WLS 8-18-95	Two stations lead in . . . 1	<i>"A town hall style meeting sponsored by the National Council of Senior Citizens" . . .</i>
Chicago CLTV 8-18-85	2	<i>"Some Chicago seniors are in the thick of the fight. National Council of Senior Citizens members are angry at a Republican plan to slash Medicare and Medicaid benefits by \$450 billion."</i>
Chicago Channel 5 8-18-95	Newt and Jerry Prete in Chicago	Wherever the Republican leadership went . . . they heard the voice of the National Council of Senior Citizens
Meet the Press	Newt Gingrich talking on Meet the Press	<i>"Our homes not nursing homes. . . "</i> And though our opponents did not <u>like</u> us . . . they also did not <u>ignore</u> us. Newt: <i>"I would say to my friends, why are they afraid to look at how the National Council of Senior Citizens organizes ads and demonstrations. I want to look at the totality of power in America."</i>
NBC News - Nightside 9-23-95 3 a.m.	Picture of Congressional committee in action	Still, the Republican leadership stonewalled and steamrolled, holding secret meetings on legislation that promised to shatter the income and health security of millions of American families.
Beta of 30th Anniversary	30th Anniversary Gore Shala . . . Kennedy . . . Dingell	President Bill Clinton framed the debate clearly when he spoke at the National Council of Senior Citizen's 30th Birthday party for Medicare. . . attended by Vice President Al Gore, Secretary Donna Shalala, and over a hundred members of Congress:

Beta - DNC "Fighting for Medicare"	Bill at 30th Anniversary of Medicare	<i>"Those who want to gamble with Medicare are asking Americans to bet their lives. Why should they bet their lives? Not to balance the budget. . . Not to strengthen the Medicare trust fund, but simply to pay for a big tax cut for people who don't need it. It's a bad deal, and we ought not to do it. It will break up America's common ground and you can help stop it."</i>
Today Show 10-19-95	NCSC Signs at House Triangle press conference.	The National Council of Senior Citizens took up the challenge, holding press conferences to denounce a \$3 billion back-room deal that House Speaker Newt Gingrich cut with the American Medical Association.
Today Show 10-19-95	Pat Schroeder clip with NCSC signs in background.	<i>"If you're wearing Gucci shoes, they'll listen to anything you say and even let you write the bill. If you're just from middle America, don't even try to get through the front door."</i>
CNN Headline News October 18, 1995	CNN graphic and TV ad inset of Medicare battle	The National Council of Senior Citizens sent out hundreds of thousands of letters, helped generate scores of thousands of calls to Congress, and joined a labor-backed coalition running television ads across the United States.
ABC World News Tonight 9-29-95	Horse rolling to Capitol -- ass shot. Seniors sitting with signs.	And in perhaps the most audacious display in recent memory, the National Council of Senior Citizens brought 3,000 senior citizens and a 14 foot tall Trojan Horse to the steps of the U.S. Capitol to protest the hollow health care promises of the Republican leadership.
CBS Evening News with Dan Rather 9-29-95	Dan Rather -CBS	Dan Rather: <i>"Democrats have been organizing daily protests at the capitol as they try to stop the Republican plan to overhaul Medicare and Medicaid. This group called the plan a Trojan Horse. . . "</i>

CNN 9-29-95

Oliver - CNN

Oliver: *"Worried that they will be saddled with higher out of pocket costs, senior citizens staged a rally today . . . rolled out a Trojan Horse. . . . Seniors say the Republican plan does not more harm than good. . . . Steve: calling for "what is in the horse . . . what do you have to offer?"*

ABC World News
Tonight 9-29-95

Cut to clips of horse
signage if available.

Stock photo or clip of
Gingrich or ABC World
News Tonight
9-22-95

Gingrich clip

The Response of House Speaker Newt Gingrich was to once against try to use strong-arm tactics to win through intimidation what he could not win through persuasion..

ABC World News
Tonight
9-22-95

Peter Jennings

"The speaker of the house has made an unprecedented threat. Yesterday, Mr. Gingrich told government securities dealers he was willing to let the government default on its debt in order to force the Democrats to the balance the budget the Republican way."

2 News at 5, Fox St.
Louis, 11-09-95

Pen rally footage
crowd shots

The National Council of Senior Citizens again led the charge, this time in support of the President's promise to veto Republican-backed budget legislation that would shred America's social safety net.

CNBC
11-09-95
CG over box scores

Footage of pen, crowd
and signs, ending with
picture of Gephardt.

With a 10 foot veto pen as their symbol, 3,000 senior citizens showed up at Lafayette Park in front of the White House to hear Steve Protulis of the National Council of Senior Citizens, Linda Chavez-Thompson of the AFL-CIO, Marian Wright-Edelman of the Children's Defense Fund, and Democratic Leader Richard Gephardt.

First Business,
News Channel 8
11-09-95

CBS Eyewitness News
at 6 pm
October 19, 1995

President talking about
veto to protect "this
program."

The President veto'd the Gingrich-Dole
budget legislation . . . again and again .
. . . holding his ground and refusing to
be intimidated.

ABC World News Now
12-?-95

Gingrich who stole
Christmas event with

The National Council of Senior Citizens
continued to press its message as
House Speaker Newt Gingrich held
government workers hostage at Christ-
mas time . . . holding a press confer-
ence to mock the Speaker as the
"Gingrich who Stole Christmas" . . .
that left coal in the stockings of
America's workers, students, children
and seniors.

Matt Cam of small
calendar

Calendar - Matt cam'd
with X/s

In 1995, the National Council of Senior
Citizens organized.

Short shot from
Donahue tape

Teresa in committee

We faced down our opposition.

CNN Prime Time (CBS
footage??) 10-18-95

Retired NCSC staffer with
GOP = Get Old People
sign

We took to the streets and pitched a
simple message.

Matt Cam of
Washington Times
headline.

Washington Times cover
matt cam'd in (spin and
freeze and fade to black
?)

The result? Republicans plummeted in
the polls . . . and Newt Gingrich regis-
tered the highest negative ratings of any
House Speaker in U.S. History . . .

(crescendo of music)

And the Republican leadership finally
declared retreat . . .

Family B-roll from LIPA
or DNC or AARP or
CNN Prime Time (CBS
footage??) 10-18-95
(2x shots)

Family B-roll.

The battle ahead is a mighty battle . . . a battle about whether we are going to keep America's safety net in place . . . a debate not only about today's seniors, but about our children and grandchildren as well.

Donahue

Rourke on Donahue

As 90-year old retired electrician, and NCSC Member Joe Rourke put it when asked what he wanted to tell the nation after being thrown into jail for protesting Republican Medicare cuts in the halls of Congress:

"I really worry about younger people more than me. Because I really don't have much to go on."

Beta, For a Better
Tomorrow

Solidarity rally streaming
down street

In short, Medicare is not a debate about older Americans, but a debate about ALL Americans.

ALL Americans will lose if we do not join together to fight this important fight.

McNeil-Lehrer
9-27-95

Gephardt with NCSC sign
in back

Gephardt: "I think this is the most important issue of these two years -- maybe of the whole 10 year period. . . . it could be the difference of whether we take back the House or not."

CNBC Business Tonight
Sept. 19, 1995

Richmond Oct 9, 1995

Gene with stop signs
behind him

Simply put America's future is being determined NOW.

If we sit idle on the sidelines in 1996 and fail to coordinate our efforts, we will all lose.

LIPA footage

John Sweeney, President
of the AFL-CIO

Music begin

Perhaps AFL-CIO President John
Sweeney said it best:

*"We've learned the hard way that an
injury to one is an injury to us all.
We're going to start proving that a
victory for one is a victory for all."*

Beta version of NCSC
30th Anniversary B-roll

Seniors listening and
clapping. . .

many generations . . .

Bert Seidman looking
ecstatic

NCSC logo and address
zoomed from small to big
on blue.

Steve Protulis,
Executive Director
zoomed to legible
underneath and all held..

A victory for all.

That is our goal in 1996, and it a goal
we can all achieve if we work together .
.. If we organize and fight back . . .
shoulder to shoulder. . . brother and
sister . . . father and mother . . .
grandparent and grandchild . . . retiree
and workers . . . victory WILL be ours.

Music Crescendo

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Term,
JUST IN CASE YOU DIDN'T HAVE, THIS
WAS THE SPEECH THE PRES. DEMANDS AT
AN NCSC SPONSORED THE WHITE HOUSE
EVENT ON THE Office of the Press Secretary
For Immediate Release July 25, 1995

REMARKS BY THE PRESIDENT
ON 30TH ANNIVERSARY OF MEDICARE

The U.S. Capitol

11:06 A.M. EDT

THE PRESIDENT: Thank you very much, Mr. Vice President, for your introduction and your leadership. Senator Kennedy and Congressman Dingell, thank you for your incredible inspiration to the country and to me. Mr. Glover, thank you and thank you for your speech. To Congressman Gephardt and Senator Daschle, I want all of you to know that they lead well and they are doing well for our country. (Applause.)

To my friend, Arthur Fleming, and his family, and Mother Johnson and her family; and to all of you seniors who are here, I am honored to be here and I have loved listening to these stories and these speeches and hearing this commitment.

I am honored to stand in the tradition of the Presidents who fought for Medicare. I believe that President Roosevelt and President Truman and President Kennedy and President Johnson were right. And I think those who oppose them were wrong. (Applause.)

If you really think about Medicare and Medicaid, which was also passed at the same time, they've given all of us stories. I loved hearing the Vice President talk about his wonderful mother.

All of you know that since I've been President I have lost my mother and my fine step-father, but what you may not know is that my step-father had a heart attack 10 years before he died, in the middle of one of my inaugural speeches for governor. And when he woke up from his surgery -- his quadruple bypass -- I told him it was not that good a speech. (Laughter.) But because he was a senior citizen covered by health care, he had 10 more good years. And my mother had a very difficult fight with cancer, which she lost. But because she was a senior citizen covered by good health care, she lived to see her son become President of the United States. (Applause.)

I ran for President because I wanted to broaden that sense of security and opportunity for our people. I wanted middle class Americans to have family wage jobs, and be able to educate their children, and have the same health security we had given to senior citizens, as Congressman Dingell said.

And the same crowd that killed Harry Truman's plan for health, the same crowd that fought against Medicare, were successful in derailing what we tried to do last year. But they did it in a brilliant way, because by last year Medicare had become so much of our common ground as Americans, so much a part of the fabric of our daily lives, that no one anymore thought about these members of Congress having anything to do with it. It was just a part of our daily lives, just like getting up in the morning and seeing the sun shine. And so these people, the same crowd that fought it tooth and nail 30 years ago, came up with this brilliant argument that because I said when they denied it, the Medicare Trust Fund was in trouble

MORE

and we had to reform health care, that I wanted to see the government mess with their Medicare.

And we had people all over America coming up to me, or the First Lady, or to Senator Kennedy, saying, don't let the government mess with my Medicare. People had actually forgotten where it came from, as if it sort of dropped out of the sky. (Laughter.) Well, I got the message of the 1994 election and I'm not going to let the government mess with your Medicare. (Applause.)

I really thought Medicare had passed beyond the partisan and political divide into the generational life of our country. The people who passed it did it for their parents' generation and knew that they would have it when they came along, and knew that in so doing, they would relieve a burden from their children, who could then focus on building good lives for themselves and their children. It was sort of a part of the social compact of the American family.

Now, the Vice President's father, who's been mentioned several times, and is a particular favorite of mine, said that the absence of health care for the elderly was "a disgrace in a country such as ours". We got rid of the disgrace, and along with Social Security, as Secretary Shalala has said, we at least have finished that part of our country's work.

We still have a lot of work to do. But the answer to the problems of the great American middle class, the answer to the problem of curing the American deficit, the answer to the problem of dealing with the challenge of educating a new generation of Americans for a new, highly competitive economy -- surely the answer to those problems is not break down the one thing we have done right completely, which is to keep faith with our elderly people. (Applause.)

I want to talk just a little bit about what this could mean to you. As I said, in 1965, the legislation which created Medicare also created Medicaid. A lot of Americans think it's just a program for poor people. Well, it did provide desperately needed care for poor children and their mothers, but it also provided more care for older and disabled Americans, especially long-term care. Two-thirds of the Medicaid budget goes for older Americans and disabled citizens. Without Medicaid, middle class families struggling to pay their own bills and raise and educate their children could face nursing home bills for their parents averaging \$38,000 a year.

I remember what those nursing homes looked like before Medicaid. Some of you do, too. We need to celebrate and recommit ourselves to this. And we need to ask ourselves, what is the future. We are at an historic moment. For the first time in a long time there is a willingness to try to bring the budget into balance, a willingness to try to secure the Medicare Trust Fund. But I know we can do both, while maintaining our generational commitment. I know we can do both without returning Medicare to the area of American partisan politics and to nightmares for the elderly people and their children in this country. We can do it. (Applause.)

As Mr. Gephardt said, the congressional majority appears to be choosing for the first time ever to use the benefits we provide under Medicare, paid for by a dedicated payroll tax, as a piggybank to fund huge tax cuts for people who don't really need them. But we showed that you could have a balanced budget plan with no new Medicare costs for older Americans that stabilized the Medicare Trust Fund. We know that. They, instead, would cut \$270 billion from Medicare and raise Medicare premiums and out-of-pocket costs an average of \$5,600 per couple over seven years, even for people who don't have enough money to get by as it is. They want to use this to pay for a \$245 billion tax cut.

If they would just reduce the size of the tax cut, target the middle class families and their basic needs, string out the time which we take to balance the budget, we would not need one penny -- not a red cent -- of the Medicare beneficiary cuts they've proposed.

Don't you let anybody tell you that we have to do that to stabilize the Trust Fund or to balance the budget. We do have to stabilize the Trust Fund. We should balance the budget. But we don't have to raise the roof on the beneficiaries to do it. We do not have to break our generational commitment to do it. Do not let anybody tell you that. It is simply not true. (Applause.)

This plan kind of sounds good in the rabid, antigovernment atmosphere in which we live today -- their plan does. The majority's plan in Congress would provide older Americans with a voucher for a set amount each year. They almost make it sound like you can make a profit out of it. It supposedly would cover enough to buy medical insurance. The problem is that private health care costs are projected to increase 40 percent more than the value of the voucher. So if you're over 65 and you're healthy as a horse, this might be a good deal for you. But what if you get sicker as you get older? If the vouchers are inadequate, the elderly must make up the difference out of their own pockets.

There's no clear provision that would give a larger voucher for a patient like my mother who developed cancer as opposed to one the same age who was healthy; not even a clear provision to give a larger one to seniors who are fortunate enough to live into their 80s. That's the fastest growing group of elderly people in America, in percentage terms, people in their 80s. But to be healthy in your 80s you just naturally use the health care system more. There's no clear provision to take care of that.

No clear provision to stop companies from simply turning seniors down because of their medical condition, or cutting them off when they get sick. In the past, various experts have suggested that Medicare budget cuts will inflict harm and financial suffering on the elderly, but as the grisly details of the plan become known, it becomes clearer and clearer that we could actually see a denial of medical care to those who need it. That was the very thing Medicare was designed to do away with.

You know, my mother was a nurse, anesthetist. I can remember what it was like before there was any Medicare or Medicaid. I remember people that actually would come to our house with a bushel basketful of peaches, for example, trying to pay in kind for the medical service my mother had rendered. And I remember that the old folks weren't healthy enough to go pick peaches. I remember these things. And we should not forget. We can change without wrecking, and we need to be awfully careful before we buy a pig in a poke.

It is easy to see how, in all but the direst of emergencies, millions of older Americans would actually just give up the medical attention to which they are entitled and which they need. Let me just give you some examples of what could happen. These are real examples of what could happen.

Suppose a 75-year-old woman has exhausted her savings and is too sick to work, but her voucher isn't enough to permit her to afford any health insurance plan anymore. She'd have to reach into her own pocket, but she doesn't have any money there. She can't get to the hospital unless it's a dire emergency because she's got to pay a \$750 deductible for that. So she can't go to the doctor's office because she can't pay the extra premium there. So the woman is stuck -- and no care.

Or suppose you have a 75-year-old man who gets a voucher that just about covers the cost of his health insurance, and in three years his voucher only goes up five percent a year, but the health insurance premium goes up 10 percent a year. So after three years, the gap is so wide he can't afford to pay. He doesn't have the money. He dropped his Medigap coverage because he was persuaded this voucher system would work. So he's stuck -- no care.

A 70-year-old man with open-heart surgery recovered enough to go home and be treated by a visiting nurse, but under the plan of the congressional majority, he must now pay \$1,400 in copayments for that visiting nurse. He can't afford that, so he stays in the hospital at three or four times the cost to the taxpayers. But after a while, Medicare stops paying for that, too. So he's stuck.

Now, these are things that can happen. Those who want to keep what they have now will have to pay significantly more. Every person on Medicare will spend \$1,650 more over seven years. The average person who receives care at home -- something we need more of, not less of -- will pay \$1,700 more in the year 2002 alone for the same health care. Remember, these are people who already pay over 20 percent of their income for health care.

So I ask you, can the elderly really afford \$1,650 more for premiums to cover their doctor bills? Can the elderly really afford \$1,700 more for the same home health care in one year alone? Will vouchers cover them against sudden premium increases if they get sick? That's what health insurance is supposed to do, you know -- cover you when you get sick, not when you're healthy. Will the medical costs stay sufficiently under control to permit these vouchers to cover the full cost of care? No expert thinks so.

Is it fair to make older Americans give up their doctors and be forced into managed care, instead of giving the option to them to go into a managed care network? Is it really necessary to balance the budget and to stabilize the Medicare Trust Fund to do what the congressional majority proposes? The answer to every single one of these questions is, no. No.

Those who want to gamble with Medicare are asking Americans to bet their lives. And why should they bet their lives? Not to balance the budget, not to strengthen the Medicare Trust Fund, but simply to pay for a big tax cut for people who don't need it. It's a bad deal; we ought not to do it. It will break up America's common ground. And you can help to stop it. (Applause.)

If the Congress and the majority really wants to balance the budget and reform the Medicare Trust Fund, let me ask them to join with me in a real commitment to health care reform that can be achievable, even by their standards. Senator Kennedy has already introduced a bill with Senator Kassebaum that goes part of the way.

Let us require insurance plans to cover those with preexisting conditions. Let us make a commitment to preventive and long-term care. (Applause.) Let us encourage home care as an alternative to nursing homes and give folks a little help to have their parents there -- (applause.) Let us let workers take their insurance coverage with them when they change jobs, and crack down on fraud and abuse, and give people the option to choose a managed care option if they want it; don't force people to take something they don't want. (Applause.)

If we really want to work together, there ought to be four basic principles that everybody, without regard to party, signs off on. We have to make sure that good, affordable health care is available to all older Americans. That's what we do now; let's don't stop it. (Applause.)

We must not cut Medicare to pay for a bigger tax cut than can be justified, that goes to people who don't really need it, a lot of whom don't even want it. We ought not to do that. (Applause.)

We must be committed to reducing medical cost inflation and stabilizing the Medicare Trust Fund through genuine reforms, not by destroying Medicare and hurting the people who are on it. (Applause.) We must not balance the budget by cutting Medicare to older Americans.

We do not have to do any of these things. This is a time of great and exciting change. I know that. But, you know, the conservatives are supposed to be in charge around here and conservatism means if nothing else, if it ain't broke don't fix it. (Applause.) And do no harm. That's the first principle.

My fellow Americans, this is a big fight, but it's not just for the seniors in this audience and in this country. It's for all their children. Most senior citizens have children that are working harder for the same or lower pay they were making five or 10 years ago. They have their own insecurities and their own problems. They need their jobs and their incomes and their children's education and their own health care stabilized. We don't need to do something that makes their lives worse, either. And it's for all their children, the people on Medicare's grandchildren. They deserve a chance to have a good education, to be sent to college. Their parents should not wake up in the middle of the night torn between their own parent's health care and their children's education.

This is not just a senior citizens issue. We need to increase opportunity and security for all Americans. And the worst thing we could do is to tear down Medicare. That would increase insecurity not just for the elderly, but for all Americans. It would cloud the future of this country.

We have come a very long way by pulling together. Do not let this budget debate tear this country apart. Do not turn back on Medicare. Stand up and say, if you want to do something to balance the budget and stabilize the Medicare Trust Fund in a way that helps the elderly people of this country, we will stand with you. But if you want the government to mess with my Medicare, the answer is, no. (Applause.)

Thank you, and God bless you. (Applause.)

END

11:26 A.M. EDT

FAX 10: 202-456-~~6248~~ 5709
TERRY EDMONOS or ~~6682~~

MEMORANDUM

TO: BILL WHITE, OFFICE OF PUBLIC LIAISON, THE WHITE HOUSE
FROM: CINDY PITHIAN, DIRECTOR OF POLITICAL EDUCATION
DATE: JUNE 28, 1996
RE: PRESIDENT CLINTON'S REMARKS, ACKNOWLEDGEMENTS

1. ACKNOWLEDGEMENTS

THE FOLLOWING LIST COVERS EVERYONE ON THE DAIS:

- o "YOUR EXECUTIVE DIRECTOR AND MY FRIEND, STEVE PROTULIS...
I CAN ALWAYS COUNT ON YOU TO MOBILIZE YOUR SENIOR
ACTIVISTS ...IN WASHINGTON AND ALL ACROSS THIS COUNTRY..."
- o ...THE TREMENDOUS LEADERSHIP OF...
OFFICERS AND EXECUTIVE BOARD OF THE NATIONAL COUNCIL OF
SENIOR CITIZENS
- o GENE GLOVER, OUTGOING PRESIDENT (SERVED FOR 7 YEARS)
(Glover pronounced with a LONG "O")
- o HARRY GUENTHER, NEWLY ELECTED PRESIDENT
(Guenther pronounced "Gunther" with a "short u")
- o GEORGE BECKER, PRESIDENT
UNITED STEEL WORKERS OF AMERICA
- o BARBARA EASTERLING, SECRETARY-TREASURER
COMMUNICATION WORKERS OF AMERICA
- o DOUGLAS FRASER, FORMER PRESIDENT, UNITED AUTOWORKERS
(President knows him personally)
- o JAY MAZUR, PRESIDENT, UNITE

2.. PLEASE HAVE THE PRESIDENT ACKNOWLEDGE:

SENIORS WHO WERE ARRESTED AT THE COMMERCE COMMITTEE
MARK-UP FOR WANTING TO ASK QUESTIONS ABOUT WHAT WOULD
HAPPEN TO MEDICARE AND MEDICAID IF THE REPUBLICAN CUTS
WENT THROUGH.

NOTE: 11 OUT OF THE THIRTEEN ARE HERE AND THEY ARE IN THE
FRONT ROW OF THE AUDIENCE.

REPUBLICANS STILL INSIST ON ENDING THE MEDICAID GUARANTEE

June 21, 1996

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

MEDICAID CUTS COULD STILL TOTAL \$250 BILLION. While the Republicans cut Federal Medicaid spending by \$72 billion, the total Medicaid cuts could still reach \$250 billion over 6 years if States spend only the minimum required to receive their full grant allocation. This is because the Republican proposal reduces State matching requirements.

MEDICAID GUARANTEE TO MEANINGFUL BENEFITS NO LONGER SECURE FOR MILLIONS OF CHILDREN, PEOPLE WITH DISABILITIES, AND OLDER AMERICANS. The House Republican Medicaid plan still undermines the guarantee to meaningful health benefits. With total cuts possibly reaching up to \$250 billion, States could be forced to deny health benefits to millions of children, people with disabilities, and older Americans, putting millions of middle class families at risk of paying for health care for their parents, children or family members with disabilities.

- **Children.** Deep total cuts in Medicaid would put severe financial pressure on States to reduce health benefits for many of the 18 million children who currently receive Medicaid.
- **People with Disabilities.** The Republican plan still jeopardizes the Medicaid guarantee for the over 6 million people with disabilities who currently receive Medicaid by allowing States the option to define who meets the disability criteria. The Republican's excessive Medicaid cuts may force States to restrict the scope of eligible disabling conditions, or cut back on benefits.
- **Older Americans.** Many of the Medicaid benefits critical to older Americans and people with disabilities are optional -- including prescription drugs, home and community-based care, and assistive devices such as wheelchairs and communication devices -- and cuts reaching up to \$250 billion could force States to cut back on these optional benefits.

THE GUARANTEE OF FINANCIAL PROTECTION FOR THE MIDDLE CLASS IS ENDED. Under the Republican plan, most Medicaid beneficiaries could be forced to sell their home in order to qualify for Medicaid nursing home benefits. The Republican plan repeals the current protections for the homes of all but the poorest Medicaid beneficiaries. States would have the option to count homes as assets in determining Medicaid eligibility, which could force older Americans and people with disabilities to sell their home or family farm in order to qualify for nursing home benefits.

In addition, the Republican plan could put overwhelming pressure on states and providers to shift nursing home care costs to patients and their families. Because it makes deep funding cuts and weakens the current protections against excessive cost-sharing requirements, many patients and their families would pay more for less.

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

June 21, 1996

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

- **It is still a block grant.** The Federal-State partnership in financing Medicaid is severed. Under the Republican bill, fully 97 percent of Federal Medicaid spending is block granted. The Federal spending formula is permanently set in legislation so that if States experience a recession or a period of inflation, they are virtually unprotected.
- **Funding does not follow the people.** There is no component of the block grant that adjusts for caseload increases. Without incorporating caseload increases, funding will not keep pace with the caseload, possibly forcing States to deny health benefits to millions of children, people with disabilities, and older Americans.
- **The "umbrella" is full of holes.** Although 97 percent of Federal Medicaid spending is fixed in the block grant, there is a small "umbrella" fund that is supposed to protect states with high enrollment growth. However, this "umbrella" fund is full of holes because it is difficult to access and provides only additional payments for year-to-year population increases, not sustained support for States with higher than expected enrollment.

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

- **The Republican bill moves away from the NGA acknowledgement of the need for benefits standards.** Without standards, there is no such thing as meaningful benefits or a guarantee of coverage. In addition, the limits of federal funds may force States to offer meaningless benefits. For example, "coverage" of inpatient hospital care could consist of one day a year.

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

- **The Republicans will likely force families to pay more for less.** The Republican bill removes current protections against excessive cost sharing requirements -- although the NGA proposal did not endorse this. Since total Medicaid spending will be cut by \$250 billion over six years under the Republican proposal, providers will face overwhelming financial incentives to shift long-term care costs to patients and their families.

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

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

MEDICAID

"I vetoed the Republican budget plan that was sent to me by Congress . . . because [it included] the most massive cuts in Medicare and Medicaid in history, a tax increase on working people, and deep, deep cuts in education and the environment. . . . My seven year balanced budget plan reflects our values and protects our investments in the future. . . . At stake is far more than just numbers and abstract programs and proposals, and far more than the normal political debates in Washington. This debate is about people, the lives they lead, the hopes they have, the desires they have for a better life."

President Bill Clinton
December 9, 1995

For 30 years, Medicaid has provided a guarantee to meaningful health benefits for millions of people with disabilities, pregnant women, poor children and older Americans. President Clinton is committed to giving states flexibility to manage the program more efficiently, while retaining the Medicaid guarantee and refusing to go backwards on health care coverage for Americans.

A RECORD OF ACCOMPLISHMENT:

- **Fighting Drastic Cuts in Medicaid:** President Clinton will continue to fight Republican proposals to end the Medicaid guarantee to meaningful health benefits for millions of people with disabilities, pregnant women, poor children and older Americans, -- ~~particularly those in need of nursing home care.~~
- **Flexibility and Coverage Expansions:** The Clinton Administration has worked with states to test new and innovative approaches in Medicaid by granting waivers. These waivers have allowed states to extend Medicaid coverage to additional low-income and uninsured people. Since January 1993, comprehensive health care reform demonstration waivers have been approved for 12 states and eight have already been implemented. Over 650,000 people have received health care coverage under the Administration's Medicaid waivers. When all 12 are implemented, 2.2 million previously uninsured individuals are expected to receive health coverage.
- **Improving Quality in Managed Care:** As the number of Medicaid beneficiaries enrolled in managed care has increased, the Clinton Administration has been working closely with states, insurers, health care professionals and consumers to assure the quality of care provided in managed care plans. For example, Medicaid HEDIS (Health Plan Employer Data Information Set), which was released in February 1996, will help monitor and improve quality in managed care plans and educate Medicaid beneficiaries about plan performance.

- **Simplifying and Streamlining Medicaid:** As part of its regulatory reform efforts, the Department of Health and Human Services has simplified the process of obtaining Medicaid home and community-based waivers and changed duplicative nursing home regulation while maintaining strong federal quality standards *and enforcement.*
- **Cracking Down on Fraud and Abuse:** Last year, the President announced a two-year partnership of federal and state agencies to prevent and detect health care fraud in specific industries. Operation Restore Trust targets five states which together account for about 40% of the nation's Medicare and Medicaid beneficiaries. In the last three years, anti-fraud and abuse efforts have saved almost \$15 billion in Medicare and Medicaid costs. Operation Restore Trust alone has produced \$42.3 million in recoveries. This is a return of \$10 in recoveries for every \$1 spent on the project.

THE CHALLENGES AHEAD:

President Clinton has put forward a balanced budget proposal that maintains the Medicaid guarantee to meaningful health benefits for millions of Americans while giving states unprecedented flexibility to manage the program. Key elements of the proposal include:

- Maintaining guarantee of coverage.
- Constraining federal spending through a per capita cap that protects states in times of economic downturns, inflation, or other situations that cause enrollment to grow.
- Giving states flexibility by *eliminating the waiver process for managed care as long as states meet* ~~repealing the Boren Amendment (so that states can *have quality* determine payment rates without interference)~~ and allowing states to ~~implement standards~~ *managed care without waivers.*
- Maintaining federal nursing home quality standards and enforcement.
- Retaining financial protections for families, including protections against impoverishment for spouses of nursing home residents.

June 1996

- Helping states expand their use of home- and community-based care by eliminating the burdensome and time-consuming waiver process now necessary to implement these humane and frequently cost-effective alternative programs.
- *(use creative approaches to)* Empowering states to ~~respond~~ *respond* coverage to the uninsured without ~~being~~ *being* required to submit a waiver as long as ~~the~~ *is maintained* the guarantee of coverage. *for the currently covered and* ~~do not increase~~ *Federal expenditures are not increased.*

PAGE TWO
MEMO TO BILL WHITE FROM CF
JUNE 28, 1996

3. YES NCSC WAS THE FIRST NATIONAL SENIORS ORGANIZATION TO
ENDORSE CLINTON/GORE IN 1992.
4. PLEASE HAVE THE PRESIDENT ACKNOWLEDGE BILL DODDS. BILL IS AN
NCSC BOARD MEMBER AND HAS BEEN APPOINTED AS THE SENIORS
OUTREACH COORDINATOR FOR CLINTON/GORE '96 REELECTION
CAMPAIGN..
5. I WILL LET YOU KNOW WHO WILL BE INTRODUCING THE PRESIDENT AS
SOON AS STEVE GIVES ME THE WORD.

IF YOU NEED TO REACH ME AND THE VOICEMAIL COMES ON IN MY ROOM...TRY
CALLING THE NCSC CONVENTION OFFICE IN THE HOTEL: 312/565-1234, STETSON
SUITES B & C, 4901 OR 4902.

No. 1**ENDORSEMENT OF PRESIDENT WILLIAM CLINTON
AND VICE PRESIDENT AL GORE
FOR REELECTION**

WHEREAS the Republican candidate for President, Bob Dole, was quoted as saying "I was there, fighting the fight, one of twelve, voting against Medicare in 1965...because we knew it wouldn't work."¹; and

WHEREAS the National Council of Senior Citizens was founded to fight for the creation of the Medicare program; and

WHEREAS President Bill Clinton and Vice President Al Gore have fought to maintain the integrity of the Medicare and Medicaid programs; and

WHEREAS the election of Bob Dole to the office of President of the United States would return this nation to the failed policies of the Reagan/Bush Administrations; and

WHEREAS President Bill Clinton and Vice President Al Gore have worked to make life better not just for seniors, by trying to include prescription drug coverage and long-term care services in Medicare, but for citizens of all ages; and

WHEREAS President Bill Clinton and Vice President Al Gore have demonstrated their willingness to protect and expand Social Security, Medicare, Medicaid, the Older Americans Act, educational assistance and other programs of vital importance to older Americans and working families; and

WHEREAS President Bill Clinton and Vice President Al Gore are currently seeking their party's nomination for those offices.

THEREFORE BE IT RESOLVED, That the National Council of Senior Citizens endorse and support President William Clinton of Arkansas for President and Vice President Albert Gore, Jr. of Tennessee for Vice President of the United States.

¹ Speech before the American Conservative Union 10/24/95.

Terry,

I enclosed information on
Medicaid as well since NCSC
cares about Medicaid as well.
Please feel free to call me with
any questions about this
information & let me know
when you ~~for~~ want to meet
w/ Gene Sperling & me.

Thanks,

Chris Gering

MEDICARE TRUST FUND TALKING POINTS

June 7, 1996

THE MEDICARE TRUSTEES' REPORT CONFIRMED WHAT WE ALREADY KNEW -- REPUBLICANS SHOULD ACCEPT PRESIDENT CLINTON'S CALL TO BALANCE THE BUDGET AND STRENGTHEN THE MEDICARE TRUST FUND.

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

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

- The President's 1993 Economic Plan extended the life of the Trust Fund by 3 years -- *without a single Republican vote.*
- The President's Health Care Reform Plan would have extended the life of the Trust Fund by *another 5 years.*

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

- In a June 4th letter, the Medicare trust fund's Chief Actuary confirmed that the life of the trust fund would be extended until "mid-calendar year 2006 under the Administration's proposal."

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

- The need for responsible intervention to improve the Trust Fund is real. The President's plan addresses this need in a responsible way, without imposing devastating provider cuts, increasing beneficiary costs, or enacting structural changes that hurt the program and the people it serves.
- Over \$125 billion remains in the Trust Fund. While incoming revenues are somewhat less than outgoing payments, the current balance in the Trust Fund means that there is absolutely no danger that claims will not be paid.
- Reports should not be used irresponsibly. The upcoming Trust Fund report should not be used to recklessly frighten the 37 million Medicare beneficiaries and their families into thinking that their benefits are in imminent danger. They simply are not.

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

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

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

June 3, 1996

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

THE FACTS: Not True.

1. The President's balanced budget guarantees the life of the Medicare Trust Fund for a decade -- the same as the Senate Republican budget. The Congressional Budget Office projects that the President's Medicare reforms would extend the life of the Medicare Trust Fund to 2005. The reforms build on the President's 1993 deficit reduction plan, which extended the life of the Trust Fund by 3 years -- *without a single Republican vote.*
2. The President's budget strengthens the Trust Fund by:
 - a. Reducing provider payments; and
 - b. Restoring the pre-1980 law on Part A home health benefits -- This is NOT a gimmick:
 - Prior to 1980, home health care services unrelated to hospital stays were not financed by the Hospital Insurance (Part A) Program. Only the first 100 home visits after a three-day hospital stay were financed under Part A. All other visits were financed by Part B. This is because Medicare Part A was intended to finance costs related to hospital stays.
 - In 1980, the law was changed and nearly all home health costs were shifted to Part A.
 - The President's proposal simply restores the pre-1980 law because home health care expenditures unrelated to hospital stays should not be financed by the Part A Trust Fund. Shifting home health spending unrelated to hospitalization back to the Part B programs helps extend the life of the Medicare Part A Trust Fund. (This shift will not affect the Part B premiums, coinsurance or deductibles.)
3. **REPUBLICANS ARE BEING HYPOCRITICAL:** The 1995 House Republican budget also shifted some home health costs from Part A to Part B. The House-passed Republican reconciliation bill also transferred certain home health care expenditures from Part A to Part B -- similar to the proposal in the President's balanced budget. *So if Republicans say it's a gimmick, it's a gimmick every Republican in the House voted for.*
4. President Clinton's budget extends the life of the Trust Fund as long as the Senate Republican budget, but without their \$167 billion Medicare cut and without their damaging structural changes. The President's balanced budget proves the Republican \$167 billion Medicare cut and damaging structural changes are not necessary to balance the budget and strengthen the Trust Fund for a decade.

REPUBLICAN BUDGET STILL THREATENS MEDICARE

June 3, 1996

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

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

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

- **Extreme Cuts Threaten Viability of Many Hospitals.** Their \$167 billion cut could mean hospitals get lower payments tomorrow than today—even in nominal terms—and will result in cost-shifting, undermine quality, and threaten the financial viability of many rural and urban hospitals. According to the American Hospital Association, nearly 700 hospitals derive *67% or more* of net patient revenues from Medicare & Medicaid.
- **American Hospital Association and National Association of Children's Hospitals are "gravely concerned about the level of reductions proposed"** by Republicans in Medicare and Medicaid. [May 10, 1996 letter to Chairmen Roth, Archer, and Bliley from ten hospital associations.]

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

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

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

- **OVER-CHARGING IN PRIVATE PLANS.** Republican proposals permit physicians to charge beneficiaries extra -- through "balance billing" -- in private Medicare plans, increasing out-of-pocket costs for beneficiaries and slowly draining the fee-for-service system of both doctors and dollars.
- **HARD SPENDING CAP.** Republicans impose a hard cap on Medicare spending. If costs increase faster than projected, spending would no longer keep up -- leading to cuts exceeding \$167 billion.

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

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



DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care
Financing Administration

Memorandum

Date June 4, 1996

From Chief Actuary, HCFA

Subject Estimated Year of Exhaustion for HI Trust Fund under Administration's
Balanced Budget Proposal

To Administrator, HCFA

This memorandum responds to your request for the estimated year of exhaustion for the Hospital Insurance trust fund under the Medicare provisions in the Administration's balanced budget proposal. Based on the intermediate set of assumptions in the 1996 Trustees Report, we estimate that the assets of the HI trust fund would be depleted in mid-calendar year 2006 under the Administration's proposal.

In the absence of corrective legislation, trust fund depletion would occur early in calendar year 2001 under the intermediate assumptions. Thus, the Administration's proposal would postpone the year of exhaustion by roughly 5½ years.

The financial operations of the HI trust fund will depend heavily on future economic and demographic trends. For this reason, the estimated year of depletion under the Administration's balanced budget proposal is very sensitive to the underlying assumptions. In particular, under adverse conditions such as those assumed by the Trustees in their "high cost" assumptions, asset depletion could occur significantly earlier than the intermediate estimate. Conversely, favorable trends would delay the year of exhaustion. The intermediate assumptions represent a reasonable basis for planning.

The estimated year of exhaustion is only one of a number of measures and tests used to evaluate the financial status of the HI trust fund. If you would like additional information on the estimated impact of the Administration's Medicare proposals, we would be happy to provide it.

Richard S. Foster, F.S.A.

KEY REPUBLICAN QUOTES ON MEDICARE

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

American Conservative Union Speech
10/24/95

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

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

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

Senate Finance Committee
09/26/95

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

June 2, 1996

STATEMENT BY DR. LAURA D'ANDREA TYSON
NATIONAL ECONOMIC ADVISER

Rather than joining President Clinton in passing common savings in Medicare to strengthen the Trust Fund and balance the budget, Speaker Gingrich has chosen to reargue and defend the extreme Medicare cuts and policies in the Republican Reconciliation bill that President Clinton already vetoed and the American people soundly rejected.

Speaker Gingrich should drop the political attacks and look at the facts. He should go back and listen to the many voices that agree that the Republican Medicare cuts and damaging structural changes would -- in his own words -- cause Medicare to "whither on the vine:"

- "We think that cuts of this magnitude call into question our ability to provide the world class medical care." [American Academy of Physicians, October 5, 1995]
- "This legislation...is not in the best interest of patients, communities, and the men and women who care for them. ...the reductions in the conference report will jeopardize the ability of hospitals and health systems to deliver quality care, not just to those who rely on Medicare and Medicaid, but to all Americans." [America Hospital Association, Catholic Health Association, and Voluntary Hospitals of America, and State Hospital Associations from 47 states, November 17, 1995]
- "Four hundred billion dollars in cuts from these two major health care programs that serve older and low-income Americans do not meet the fairness test. Reductions in Medicare called for in the conference report are much more than is necessary to keep the program solvent into the next decade." [American Association of Retired Persons (AARP), November 16, 1995.]

Even under the current Republican plan, Medicare spending would still be cut by \$167 billion -- \$51 billion or 44% more than CBO scored the President's balanced budget. Their new plan maintains the damaging structural changes in their reconciliation bill that would segment the Medicare population and leave the traditional program with fewer dollars and a sicker pool of beneficiaries.

- "It's impact on hospitals appears worse. ...We are gravely concerned about the level of reductions proposed" by Republicans in Medicare and Medicaid. [American Hospital Association, Federation of American Health Systems, Catholic Health Association, and 7 other national hospital associations, May 10, 1996.]

Throughout all of 1995 and much of 1996, no issue has so divided the political parties from one another or me from the Republican Congress than Medicare. We all agree that the system will go broke in 200__ unless we act now. We all agree that I have proposed savings without any cuts in benefits, that will save the system through 200_ . and the Republicans have incorporated most of my proposed savings in their plan, but also go further in making additional cuts in services to beneficiaries which will protect the system through 200__.

We are deadlocked on this issue -- gridlocked and stuck. Today I appeal to the Republicans to pass at least the savings upon which we both agree so we can at least assure the system a financial viability through the year 200_. I believe the system will be viable for much much longer if my reforms are adopted. The Republicans disagree. They could be right or I could be right. We'll have 10 years to see. But today, I urgently ask the Congress to enact at least the savings upon which we both agree so that the viability of the Medicare system for the next decade is assured. Surely we can do that much for America's elderly.

[rest of speech -- don't trash Reps.] no strident lang. above partisan debate on Medicare].
Chris Jennings. Gene Sperling.

7.21

Henry -

Here is a copy of The J.R.'s
historical perspective, as well as
Johnston signing Speech - signing
participants to come.

Alice

and women of the Americas will come to know a much better life, a life of peace, a life of social justice, a life of liberty, a life of independence, a life where reason rules and where tyranny is vanquished.

And it is toward this happy hour that we work together now with a steady purpose and with a rising confidence and with a deep appreciation of what friendship and understanding really means.

I'm sorry I was late. Thank you so much for coming.

NOTE: The President spoke at 1:45 p.m. in the East Room at the White House upon signing the agreement under which the Agency for International Development loaned \$35 million to the Central American Bank for Economic Integration. Following the President's remarks, Dr. Enrique Delgado, President of the Bank, addressed the group. The text of his remarks is printed in the Weekly Compilation of Presidential Documents (vol. 1, p. 23).

394 Remarks With President Truman at the Signing in Independence of the Medicare Bill. July 30, 1965

PRESIDENT TRUMAN. Thank you very much. I am glad you like the President. I like him too. He is one of the finest men I ever ran across.

Mr. President, Mrs. Johnson, distinguished guests:

You have done me a great honor in coming here today, and you have made me a very, very happy man.

This is an important hour for the Nation, for those of our citizens who have completed their tour of duty and have moved to the sidelines. These are the days that we are trying to celebrate for them. These people are our prideful responsibility and they are entitled, among other benefits, to the best medical protection available.

Not one of these, our citizens, should ever be abandoned to the indignity of charity. Charity is indignity when you have to have it. But we don't want these people to have anything to do with charity and we don't want them to have any idea of hopeless despair.

Mr. President, I am glad to have lived this long and to witness today the signing of the Medicare bill which puts this Nation right where it needs to be, to be right. Your in-

spired leadership and a responsive forward-looking Congress have made it historically possible for this day to come about.

Thank all of you most highly for coming here. It is an honor I haven't had for, well, quite awhile, I'll say that to you, but here it is:

Ladies and gentlemen, the President of the United States.

THE PRESIDENT. *President and Mrs. Truman, Secretary Celebrezze, Senator Mansfield, Senator Symington, Senator Long, Governor Hearnes, Senator Anderson and Congressman King of the Anderson-King team, Congressman Mills and Senator Long of the Mills-Long team, our beloved Vice President who worked in the vineyard many years to see this day come to pass, and all of my dear friends in the Congress—both Democrats and Republicans:*

The people of the United States love and voted for Harry Truman, not because he gave them hell—but because he gave them hope.

I believe today that all America shares my joy that he is present now when the hope that he offered becomes a reality for

millions of our fellow citizens.

I am so proud that this has come to pass in the Johnson administration. But it was really Harry Truman of Missouri who planted the seeds of compassion and duty which have today flowered into care for the sick, and serenity for the fearful.

Many men can make many proposals. Many men can draft many laws. But few have the piercing and humane eye which can see beyond the words to the people that they touch. Few can see past the speeches and the political battles to the doctor over there that is tending the infirm, and to the hospital that is receiving those in anguish, or feel in their heart painful wrath at the injustice which denies the miracle of healing to the old and to the poor. And fewer still have the courage to stake reputation, and position, and the effort of a lifetime upon such a cause when there are so few that share it.

But it is just such men who illuminate the life and the history of a nation. And so, President Harry Truman, it is in tribute not to you, but to the America that you represent, that we have come here to pay our love and our respects to you today. For a country can be known by the quality of the men it honors. By praising you, and by carrying forward your dreams, we really reaffirm the greatness of America.

It was a generation ago that Harry Truman said, and I quote him: "Millions of our citizens do not now have a full measure of opportunity to achieve and to enjoy good health. Millions do not now have protection or security against the economic effects of sickness. And the time has now arrived for action to help them attain that opportunity and to help them get that protection."

Well, today, Mr. President, and my fellow Americans, we are taking such action—

20 years later. And we are doing that under the great leadership of men like John McCormack, our Speaker; Carl Albert, our majority leader; our very able and beloved majority leader of the Senate, Mike Mansfield; and distinguished Members of the Ways and Means and Finance Committees of the House and Senate—of both parties, Democratic and Republican.

Because the need for this action is plain; and it is so clear indeed that we marvel not simply at the passage of this bill, but what we marvel at is that it took so many years to pass it. And I am so glad that Aime Forand is here to see it finally passed and signed—one of the first authors.

There are more than 18 million Americans over the age of 65. Most of them have low incomes. Most of them are threatened by illness and medical expenses that they cannot afford.

And through this new law, Mr. President, every citizen will be able, in his productive years when he is earning, to insure himself against the ravages of illness in his old age.

This insurance will help pay for care in hospitals, in skilled nursing homes, or in the home. And under a separate plan it will help meet the fees of the doctors.

Now here is how the plan will affect you.

During your working years, the people of America—you—will contribute through the social security program a small amount each payday for hospital insurance protection. For example, the average worker in 1966 will contribute about \$1.50 per month. The employer will contribute a similar amount. And this will provide the funds to pay up to 90 days of hospital care for each illness, plus diagnostic care, and up to 100 home health visits after you are 65. And beginning in 1967, you will also be covered for up to 100 days of care in a skilled nursing

home after a period of hospital care.

And under a separate plan, when you are 65—that the Congress originated itself, in its own good judgment—you may be covered for medical and surgical fees whether you are in or out of the hospital. You will pay \$3 per month after you are 65 and your Government will contribute an equal amount.

The benefits under the law are as varied and broad as the marvelous modern medicine itself. If it has a few defects—such as the method of payment of certain specialists—then I am confident those can be quickly remedied and I hope they will be.

No longer will older Americans be denied the healing miracle of modern medicine. No longer will illness crush and destroy the savings that they have so carefully put away over a lifetime so that they might enjoy dignity in their later years. No longer will young families see their own incomes, and their own hopes, eaten away simply because they are carrying out their deep moral obligations to their parents, and to their uncles, and their aunts.

And no longer will this Nation refuse the hand of justice to those who have given a lifetime of service and wisdom and labor to the progress of this progressive country.

And this bill, Mr. President, is even broader than that. It will increase social security benefits for all of our older Americans. It will improve a wide range of health and medical services for Americans of all ages.

In 1935 when the man that both of us loved so much, Franklin Delano Roosevelt, signed the Social Security Act, he said it was, and I quote him, “a cornerstone in a structure which is being built but it is by no means complete.”

Well, perhaps no single act in the entire administration of the beloved Franklin D. Roosevelt really did more to win him the

illustrious place in history that he has as did the laying of that cornerstone. And I am so happy that his oldest son Jimmy could be here to share with us the joy that is ours today. And those who share this day will also be remembered for making the most important addition to that structure, and you are making it in this bill, the most important addition that has been made in three decades.

History shapes men, but it is a necessary faith of leadership that men can help shape history. There are many who led us to this historic day. Not out of courtesy or deference, but from the gratitude and remembrance which is our country's debt, if I may be pardoned for taking a moment, I want to call a part of the honor roll: it is the able leadership in both Houses of the Congress.

Congressman Celler, Chairman of the Judiciary Committee, introduced the hospital insurance in 1952. Aime Forand from Rhode Island, then Congressman, introduced it in the House. Senator Clinton Anderson from New Mexico fought for Medicare through the years in the Senate. Congressman Cecil King of California carried on the battle in the House. The legislative genius of the Chairman of the Ways and Means Committee, Congressman Wilbur Mills, and the effective and able work of Senator Russell Long, together transformed this desire into victory.

And those devoted public servants, former Secretary, Senator Ribicoff; present Secretary, Tony Celebrezze; Under Secretary Wilbur Cohen; the Democratic whip of the House, Hale Boggs on the Ways and Means Committee; and really the White House's best legislator, Larry O'Brien, gave not just endless days and months and, yes, years of patience—but they gave their hearts—to passing this bill.

Let us also remember those who sadly

Connecticut, former Secretary of Health, Education, and Welfare, Under Secretary of Health, Education, and Welfare Wilbur J. Cohen, Representative Hale Boggs of Louisiana, Lawrence F. O'Brien, Special Assistant to the President, John D. Dingell, Representative from Michigan 1933-1955, Robert F. Wagner, Senator from New York 1927-1949, James E. Murray, Senator from Montana 1934-1961, and Senator George A. Smathers of Florida.

As enacted, the Medicare bill (H.R. 6675) is Public Law 89-97 (79 Stat. 286).

On July 25, 1965, the White House released a report to the President from Secretary Celebrezze in response to the President's request for organizational changes in the Social Security Administration in preparation for administering the Medicare program.

The report stated that the reorganization would accomplish the following major purposes:

"It establishes new units in the Administration with special responsibility for hospital and supplementary medical insurance programs;

"It changes some existing units, giving them additional responsibilities under new programs;

"It centers data processing and transmission activities in a central headquarters in the Administration;

"It strengthens upper-level management in the Administration, makes the field service of the Administration more responsive to directions from headquarters, and improves coordination between Administration units."

The text of Secretary Celebrezze's report is printed in the Weekly Compilation of Presidential Documents (vol. 1, p. 6).

395 Remarks to Members of the Press at the LBJ Ranch.

August 1, 1965

WE'RE delighted you could come by. Joe¹ thought that you might enjoy stopping by for a few moments before you go back to Austin, and before we go back to Washington.

We plan to leave tomorrow evening late, unless something changes our plans, and we anticipate there will be no changes—some time after the sun goes down tomorrow, so we have a chance to have a ride in a boat.

APPOINTMENT OF DEPUTY DIRECTOR, USIA

[1.] I have with me today, Bob Akers, who is being appointed Deputy Director of the USIA to succeed Don Wilson. It has been about a week trying to locate him in Europe. We traced him through Spain and finally located him in Greece, and brought him back Saturday. He's been interviewed by Mr. Macy² and the other appropriate people in Washington.

¹ Joseph Laitin, an assistant press secretary.

² John W. Macy, Jr., Chairman of the Civil Service Commission.

He's had 40 years in the newspaper business and 10 or more years as a commentator. He's traveled extensively and lectured at the USIA, on the Asian Continent, also in Europe. He's most recently been the managing editor of the Beaumont Enterprise and the Beaumont Journal, a commentator on KRIC-TV.

I had Mr. Laitin come down and he's going to give you some announcements a little later on in the day.

EFFECTIVE USE OF MILITARY PERSONNEL

[2.] I won't take your time now, but Joe Califano³ and I have drafted a memorandum to Secretary McNamara,⁴ which we have reviewed with him in the last few days following the appointment of our task forces on effecting economies.

The substance of the memorandum is that I asked him to set up some special people to recognize the need for deployment of addi-

³ Joseph A. Califano, Jr., Special Assistant to the President.

⁴ See Item 396.

dpc special report

Medicare's 30th Anniversary

- ☐ **A Democratic Vision**
- ☐ **An American Success**

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Democratic Policy Committee
United States Senate
Washington, D.C. 20510-7050

Thomas A. Daschle, Chairman
Harry Reid, Co-Chairman

Medicare's 30th Anniversary

- ☐ **A Democratic Vision**
- ☐ **An American Success**

On July 30, 1965, President Lyndon B. Johnson traveled to Independence, Missouri, and, in the presence of former President Harry Truman, signed Medicare into law. That simple ceremony marked the end of a long struggle for Democrats trying to enact the measure, and the beginning of a new era of health and economic security for America's seniors.

President Franklin D. Roosevelt envisioned an America with financial security for Americans who retire after years of hard work and a health care safety net for all Americans. He was able to achieve part of that dream, when he signed Social Security into law in 1935. But the struggle for health care protections would last for decades. The historical record is clear. If it had been up to the Republican Party, Medicare never would have been enacted.

President Harry Truman offered several proposals to Congress. President John F. Kennedy made health care for seniors an issue in his 1960 campaign and saw his plan defeated in the Congress. Only after Democrats called the 1964 election a "mandate" for Medicare, and Democrats triumphed at the polls, did the Democratic vision of Medicare become a reality. Even then, the majority of Congressional Republicans voted against it.

Today, Medicare provides health care security for more than 36 million Americans. It is the only way most seniors could ever acquire adequate health care in today's health care market. Medicare helps seniors both obtain the health care they need *and* remain financially secure and independent.

Medicare is an efficient program. Administrative costs are only two percent of its budget—a fraction of the administrative costs of private health care plans. It is a responsible program: Beneficiaries contribute to the medical expenses through premiums, co-payments, and deductibles.

Public support for Medicare is extremely high. Eighty-nine percent of Americans support Medicare, and that support is strong among all age groups.¹ Medicare can be improved; but it must be protected. It should not be assaulted under the guise of deficit reduction or to provide tax breaks for the wealthy—as Republicans now propose.

Thirty years ago, Medicare was part of the Democratic vision for a better America. Today, it still is. This report chronicles the struggle to enact Medicare, and shows how, three decades later, Medicare truly is an American success story.

Republican Representative Charles A. Plumley (VT) charged:

*"Behind this alleged humanitarian program is to be found the basis and genesis for a planned and socialized America....It is a proposal to establish a form of socialism, a socialistic government as unadulterated as if it came from the sanctified pen of Karl Marx himself."*⁴

Hearings were held, but no further action was taken.⁵

President Truman's Second Effort

Two years later, President Truman was back with another proposal for national health insurance. In his "Special Message to the Congress on Health and Disability" (May 19, 1947), he declared:

"A great and free Nation should bring good health care within the reach of all its people....Healthy citizens constitute our greatest national resource."

"With Republicans in control of both chambers of Congress in 1947-48," as *CQ Almanac* later noted, "there was no chance for enactment."⁶ Again, hearings were held, but no further action was taken.⁷

President Truman Persisted

In a Special Message to the Congress on the Nation's Health Needs (April 22, 1949), President Truman, for the third time, called for national health insurance:

"The best hospitals, the finest research laboratories, and the most skillful physicians are of no value to those who cannot obtain their services."

A Democratic Vision from the Start

In his message to Congress on January 17, 1935, urging passage of Social Security, President Franklin Roosevelt explained that the goal of the program was to provide for:

"the security of the men, women, and children of the Nation against certain hazards and vicissitudes of life."

An important part of that security, President Roosevelt explained, was health care. Social Security would become law and provide what President Roosevelt called "some measure of protection...against poverty-ridden old age."²

But a national health care plan in any form was repeatedly met with intense, well-financed opposition.

In Congress, Democratic Senators Robert Wagner (NY) and James Murray (MT) and Representative John Dingell (MI) introduced several national health care proposals. No action was taken on any of them.

With the administration of President Harry Truman, the idea of national health care gained strength and momentum. Shortly after taking office, President Truman proposed a comprehensive, prepaid medical insurance plan for persons of all ages. In his Special Message to Congress Recommending a Comprehensive Health Program (November 19, 1945), Truman declared:

"Millions of our citizens do not now have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or security against the economic effects of sickness. The time has arrived for action to help them attain that opportunity and that protection."

Congressional Republicans opposed this effort by raising the specter of government controlled medicine—in a word, socialism.

Senator Robert Taft (OH), the leading Republican spokesperson in Congress at the time, called it:

*"the most socialistic measure that this Congress has ever had before it."*³

Republican opposition again appeared in full force. This time, Senate Republican Leader Senator Robert Taft (OH) exclaimed:

*"This is not insurance. It is a plan for government administration of all medical services....Regardless of form, first a socialization of medicine, and second, a transfer of all control over health activities from the States and local government to a Washington Bureau."*⁸

Again, no action was taken.⁹

Democrats Focus on Seniors

In the face of staunch and well-financed Republican opposition to providing health care security for all Americans, Democrats decided to focus their efforts on America's elderly.¹⁰

According to the Truman Health Commission, the elderly were poorer and less insured than the general population. For one thing, health insurance firms would not insure such high-risk groups without exorbitantly high premium payments.¹¹ With their low income levels, America's aged often could not afford health insurance. As proponents of Medicare pointed out, "the cost of medical care is beyond the reach of many older citizens."¹² Sometimes the elderly found themselves uninsurable regardless of cost—largely because of their age or medical condition.

Congressional efforts. In 1957, Democratic Representative Amie Forand (RI) proposed a Social Security approach to health care for the elderly, the first "Medicare"-type proposal. Several versions of this proposal were offered in Congress, but all of them met similar fates—committee hearings were held, but no action taken.

In 1960, the "medicare" concept gained an important supporter. Democratic Senator John F. Kennedy (MA) sponsored a version of the Forand bill, pointing out:

*"Unfortunately, voluntary health insurance has not and cannot do the job....The very competition between insurance companies tends to either exclude older people or limit their protection. If benefits are restricted, the very purpose of the insurance is defeated."*¹³

Senator Kennedy then quoted a letter from a constituent that read:

*"It is impossible for a wage earner to put away enough in a lifetime to pay for six months in a hospital."*¹⁴

Later that year, JFK became the Democratic presidential nominee and announced that enactment of "medicare" legislation was one of his chief legislative goals for the August session.¹⁵

The Eisenhower Administration, which considered such national health care programs as "socialistic," opposed the Democratic proposal.¹⁶

Congressional Republicans also assailed the plan.¹⁷ It was wrong, Senator Barry Goldwater (AZ) explained, because:

*"social welfarism, in its most advance form, has always been an inseparable part of totalitarian systems, ancient and modern, Fascist and Communist, openly brutalitarian or heavily disguised as benevolent despotisms."*¹⁸

As a result of this Republican opposition, on August 23, 1960, the Senate defeated Kennedy's first attempt to provide health insurance for the Nation's elderly. Ninety-seven percent of Republican Senators voted no.

President Kennedy's Priorities

Presidential candidate John F. Kennedy made health insurance for the elderly a campaign issue in the 1960 presidential election. As president, he was determined to see Medicare enacted.

In a Special Message to the Congress on Health and Hospital Care on February 9, 1961, President Kennedy proposed a health care program for the aged to be financed by an increase in the Social Security tax. President Kennedy declared:

"Twenty-six years ago this Nation adopted the principle that every member of the labor force and his family should be insured against the haunting fear of loss of income caused by

retirement, death, or unemployment....But there remains a significant gap that denies to all but those with the highest incomes a full measure of security—the high cost of ill health in old age.”

A few days later, President Kennedy's Medicare plan was introduced in both Houses of the Congress. The *Hospital Insurance Benefits Act of 1961* (King-Anderson bill), was introduced in the Senate by Democratic Senator Clinton Anderson (NM) and in the House by Democratic Representative Cecil King (CA).¹⁹

Hearings were held, but there was no further action.

President Kennedy Persists

In the second year of his Administration, President Kennedy renewed his push for Medicare. The Kennedy administration promised a “great fight across this land” to secure the enactment of Medicare.²⁰

On May 20, 1962, at a Sunday afternoon rally in Madison Square Garden in New York City sponsored by the National Council of Senior Citizens, President Kennedy launched a new campaign for what became his “Medicare” health care program. The speech was carried via closed circuit television to similar rallies in 32 major cities at which cabinet members and other public officials spoke to mass gatherings in support of the needed health benefits.²¹

Republicans again raised the specter of socialized medicine. Republican Senator Carl Curtis (NE) exclaimed:

*“The enactment of the Kennedy proposal means government medicine.”*²²

This time Medicare came to a vote in the Senate when Democratic Senator Clinton Anderson tried to add it to a Social Security measure. In a dramatic, down-to-the-wire roll call vote on July 17, 1962, however, the measure lost by two votes. Once again, Republicans were united in their opposition—86 percent of Republican Senators voted against it.

JFK's Third Effort

With the opening of the 88th Congress, President Kennedy, for the third time, requested passage of Medicare in his "Special Message on Aiding our Senior Citizens" (February 21, 1963). Democratic Representative King and Senator Anderson again introduced the Medicare bill.²³

Again, Republicans quickly rose to denounce it.²⁴

In the 88th Congress, there were hearings but no further action.²⁵

President Johnson Takes Up the Cause

After President Kennedy's assassination, President Johnson took over JFK's efforts on behalf of Medicare. When second session of the 88th Congress opened, President Johnson urged enactment of a "medicare bill."²⁶

During the Senate debate on a bill to increase Social Security benefits in July of 1964, (H.R. 11865), Senator Albert Gore, Sr. (TN) offered a medicare bill as an amendment.

Senator Gore proclaimed:

*"We are dealing with the most pressing, unmet problem of our society....What happens when a serious illness strikes? Current income which is needed for groceries and rent must go for medical care. Savings must be depleted. The home may have to be sold. Then, hat-in-hand, this formerly self-sufficient, self-reliant, respected member of the community must go to the welfare people and beg for a handout. This is a disgrace in a country such as ours."*²⁷

Opponents of Medicare were as determined to defeat the needed health care measure as President Johnson and Congressional Democrats were to enact it.

Congressional Republicans seemed to come up with every possible excuse to oppose and vote against health care for America's elderly.

They called it socialism.

- ☐ Republican Senator Gordon Allott (CO) called it a "foot in the door" for socialized medicine.²⁸

They said it would destroy the best health care system in the world.

- ☐ *Republican Senator James Pearson (KS):* "American medicine has achieved an unprecedented level of development through its own efforts....It would appear foolish to endanger this high level of initiative and performance by imposing the heavy blanket of government supervision. A Federal health program, financed under Social Security, would represent such a danger."²⁹

They said it would not work.

- ☐ *Republican Senator Carl Curtis:* "This amendment would be a great disappointment to older people."³⁰
- ☐ *Republican Senator James B. Pearson:* "[I]t would achieve little for those who need it, while subjecting the very fabric of American life to the strain of severe and unnecessary sacrifices."³¹

They said it was too bureaucratic.

- ☐ *Republican Senator Roman Hruska charged:* "With Federal funds come Federal control. In the area of medical care, Federal interference presents frightening prospects."³²

They said it would wreck the Social Security System.

- ☐ *Republican Senator Jack Miller (IA):* "I believe that most people do not wish to have the social security program threatened by any unsound financial tinkering such as this amendment represents."³³

- ❑ *Republican presidential nominee, Senator Barry Goldwater (AR) characterized Medicare as the "most significant step" in making Social Security a relief and charity organization.³⁴*

This time, the Senate approved the Medicare amendment by a vote of 60-28 on September 3, 1964. Again, a majority of Republican Senators acted against Medicare. Eighty-five percent voted to kill it. The measure did not survive the joint House-Senate conference on **H.R. 11865**, the *Social Security bill*.³⁵

The National Referendum

In an important, dramatic move, the sponsor of the 1964 Medicare amendment,³⁶ Democratic Senator Albert Gore (TN) called for the 1964 election to be a "mandate" on Medicare. Senator Gore proclaimed:

*"This means that the President will go to the people and ask for a mandate on this issue."*³⁷

President Johnson took up the challenge. Throughout the 1964 political campaign, he promised, if elected, to seek the passage of Medicare.³⁸ During a press conference, President Johnson explained:

*"I think Senator Gore very properly presented the situation when he said that it is now a matter that the people of this country can pass judgment on. I hope that we can get a mandate in November."*³⁹

The news media also began to consider the 1964 election a "mandate on Medicare."

New Republic: "The current Medicare strategy is based on a major Johnson mandate on election day."⁴⁰

Business Week: "Tuesday's election will be a key to whether the [Medicare] issue will be resolved quickly in Congress next year.... Medicare proponents say a Johnson landslide, bringing 20 additional Democrats into the House, would insure passage of the legislation."⁴¹

In the 1964 election, Democrats picked up 37 seats in the House along with two in the Senate. As a result:

- ❑ in the House of Representatives, Democrats outnumbered Republicans 295-140; and,
- ❑ in the Senate, Democrats outnumbered Republicans 68-32.

The Democratic Victory

The “sweeping Democratic victories,” according to *CQ Almanac*, “made passage [of Medicare] almost a foregone conclusion.”⁴²

President Johnson went before Congress to proclaim:

*“the specter of catastrophic hospital bills can [now] be lifted from the lives of our older citizens.”*⁴³

The first bill introduced in each House of the 89th Congress was the King-Anderson bill to establish “Medicare” as a permanent part of the social security program.⁴⁴

In introducing the measure, Democratic Rep. Cecil King (CA) said:

“The results of the November election should leave no doubt in anyone’s mind over how the American voters feel about these measures....We can no longer permit hospital costs—or the fear of hospital costs—to deprive our elderly citizens of the security and peace of mind that should be their due after a lifetime of work.

*“We will be able to take great pride in having had a hand in bringing financial security and peace of mind to millions of older Americans.”*⁴⁵

Democratic Senator Anderson explained:

"I feel certain that historians will mark this year as the turning point in our long struggle to solve the major part of what has become one of the most urgent issues of public policy—the problem of financing the costs of hospital care for the aged, costs which now represent the major remaining cause of personal financial disaster among our aged citizens.

*"Every month that we delay in providing the needed protection means that more and more elderly persons will be forced to look to public welfare programs for help in getting the health care they need."*⁴⁶

Despite the Democratic victories and Democratic determination, Congressional Republicans were not ready to give up their fight against health care for America's elderly.

Once again, they came up with every possible excuse to vote against the needed measure and to try to defeat it.

Once again, they said it was socialism.

- ❑ *Republican Representative James Utt (CA):* "I do not happen to be one of those who is dazzled by the great majority President Johnson obtained last November....Let me tell you here and now it is socialized medicine."⁴⁷
- ❑ *Republican Representative Delbert Latta (OH):* "Believing as I do that Medicare is the first step towards socialized medicine in America, I intend to vote 'no' on final passage."⁴⁸

Once again, they said it was too bureaucratic.

- ❑ *Republican House Leader and future President Gerald Ford (MI):* "[W]e are going to find our aged bewildered by a multi-headed bureaucratic maze of confusion over what program covers what and who is on first base."⁴⁹

Once again, they said it would destroy the best health care system in the world.

- *Republican Representative Utt*: "Let us not go on the assumption here that we are not destroying the quality and the quantity of medicine and that we are not socializing medicine, because that is exactly what we are doing."⁵⁰

And they said it was a threat to Social Security.

- *Republican Representative Bob Dole (KS)*: "[T]he real opposition to the bill stems from the fact hospitalization benefits are to be financed by a compulsory payroll tax....[A]dequate medical protection should be made available to the aged but it should be voluntary and should reflect the ability to pay... This one provision poses an enormous threat to the cash benefit programs under the social security programs."⁵¹

In a last-ditch attempt to defeat Medicare, Republicans came up with an "alternative" plan—a voluntary system in which the elderly would pay their own premiums. The majority of Congressional Republicans supported this plan—but Democrats prevailed and brought Medicare to a vote.

Representative Dole and a majority of Congressional Republicans again voted against Medicare.

Congress finally passed (Senate, 70-24; House, 307-116) the Medicare bill which President Johnson promptly signed into law on July 30, 1965. President Johnson traveled to Independence, Missouri, to sign Medicare into law, so that former President Harry Truman could participate in this ceremony, and to underscore Democrats' long-standing commitment to our Nation's seniors.

Chronology of Passage of Medicare, 1965

- 1/4 — President Johnson's State of the Union Address listed health care for the elderly as a high priority.**
- 1/4 — Representative King and Senator Anderson introduced identical Medicare bills in each House of Congress.**
- 1/7 — President Johnson's message on "Advancing the Nation's Health" assigned top priority to the President's recommendations for a health insurance program for the elderly.**
- 4/8 — House approved Medicare.**
- 7/9 — Senate approved Medicare.**
- 7/14 — Conference on Medicare began.**
- 7/21 — Conference committee reached agreement upon a compromise.**
- 7/27 — House ratified the conference agreement.**
- 7/28 — Senate ratified the conference agreement.**
- 7/30 — President Johnson signed the bill in Independence, making it Public Law 89-87.**

Medicare—An American Success

"From the beginning," reports the Urban Institute, "[Medicare has] proved remarkably successful" as it has contributed to the well-being of America's oldest and most disabled citizens.

Medicare has achieved its goal of providing increased access to health care among the Nation's elderly.

- ☐ By 1970, nearly all the Nation's elderly were enrolled in the Medicare program.
- ☐ Today, more than 36 million Americans are protected by Medicare.

Medicare has improved the quality of life among the America's elderly.

- ☐ Medicare has dropped the poverty rate among America's elderly by 13.4 percent.⁵²

Medicare is an efficient health program.

- ☐ Medicare's administrative costs average two percent of program outlays, compared with 25 percent in small group market plans and 5.5 in large group plans.⁵³

Medicare benefits all Americans regardless of income status.

- ☐ Eighty-three percent of Medicare outlays go to beneficiaries with incomes of \$25,000 or less.⁵⁴
- ☐ Only three percent goes to elderly individuals or couples with incomes in excess of \$50,000.⁵⁵

Medicare is a popular health care program.

- ☐ Eighty-nine percent of Americans want Medicare to continue.⁵⁶
- ☐ Ninety-two percent of Americans say Medicare is the only way many older Americans can possibly obtain adequate health care.⁵⁷
- ☐ A Kaiser-Commonwealth Fund 1993 health insurance survey found that 52 percent of Medicare beneficiaries are very satisfied with their Medicare insurance compared to 44 percent of families covered by employer-provided private coverage, and 30 percent of those who purchase private health insurance individually.⁵⁸
- ☐ Seventy-five percent of Americans oppose cutting Medicare in order to balance the budget.⁵⁹
- ☐ When asked what should be the most important goal for the budget, the number one answer was "protecting Medicare and Social Security."⁶⁰

Medicare has become so successful that Senator Dole, who voted against enactment of Medicare, now praises it:

*"Much of our significant gains and life expectancy, improvement in the quality of life, and decreases in infant mortality can be directly attributed to the passage of the Social Security Amendments of 1965. The Medicare and Medicaid programs have played a central role in improving both access to and quality of health care services for the country's elderly, poor, and disabled. Equally significant, it may be argued that Medicare and Medicaid have provided a foundation for the phenomenal growth and the dissemination of new medical technologies that now contribute to the well-being of all the people of all nations."*⁶¹

But today, Medicare is once again under Republican attack. House Majority Leader Richard Armey says he "deeply resents the fact that when I am 65, I must enroll in Medicare." He calls it part of government that "teaches dependence," and says it is a program I would have no part of in a free world."⁶²

Once again, Republicans are proposing voluntary systems, such as medical savings accounts, or plans which would require seniors to shop for their own coverage or pay much higher premiums.⁶³ Republicans would use the savings to pay for tax breaks for the wealthy.

These proposals always have been and still are unacceptable to Democrats. Senate Democratic Leader Tom Daschle has declared:

*"In three decades, Medicare has come to symbolize this Nation's commitment to the health and financial security of our elderly citizens and their families. It is the fulfillment of the dreams as well as the efforts of Presidents Truman, Kennedy and Johnson and hundreds of Congressional Democrats. On this, the 30th anniversary of Medicare, it is important to recall the long and difficult struggle to enact this much-needed program and applaud its success and recommit ourselves to keeping the program strong and viable."*⁶⁴

End Notes

¹ AARP poll, July 11, 1995.

² Statement upon signing the *Social Security Act* into law on August 14, 1945.

³ *Congress and the Nation, 1945-1964*, "A Review of Government and politics in the Postwar Years," 1965, p. 1152. The American Medical Association's (AMA's) efforts to defeat national health insurance also must be recognized. The AMA compared Truman's health care proposal to the "totalitarianism of [Nazi] Germany." "Fishbein Assails New Health Plan," *New York Times*, November 27, 1945. For AMA's official position, see "AMA Vote Assails Health Insurance," *New York Times*, December 5, 1945, and "Dentists Oppose U.S. Health Plan," *New York Times*, December 7, 1945.

⁴ "The Proposal for a Federal Compulsory Insurance System, of Citizens Medical Care," *Congressional Digest*, August-September, 1946.

⁵ *Congress and the Nation, 1945-1964*, p. 1152.

⁶ 1965 *CQ Almanac*, p. 244.

⁷ *Congress and the Nation, 1945-1964*, p. 1152.

⁸ "Medical Insurance for the U.S., Voluntary or Compulsory?" *Congressional Digest*, March 1949. Again, the AMA's role in the defeat should not be underestimated. In unprecedented lobbying efforts, the AMA spent \$1,522,683 in 1949 and \$1,326,078 in 1950 for lobbying purposes—the two highest lobby spending reports ever filed by any organization until that time. It sent each member of Congress a pamphlet, "A Simplified Blueprint of the Campaign Against Compulsory Health Insurance," and a booklet, *25 Questions You want Answered on Compulsory Health Insurance Versus Health the American Way*. State organizations worked to get important national and local organizations to come out against the measure, and each of 10,234 opposing endorsements was to be sent to the appropriate Member of Congress and the President. 1965 *CQ Almanac*, pp. 246-247; 1949 *Congressional Almanac*, p. 294.

⁹ *Congress and the Nation, 1945-1964*, p. 1152.

¹⁰ Theodore Marmor, *The Politics of Medicare*, London, Routledge and Kegan, p.19.

¹¹ *Congress and the Nation, 1945-1964*, "A Review of Government and Politics in the Postwar Years," 1965, p. 1152.

¹² Michael Alderman, "Why We Need Medicare," *New Republic*, October 26, 1964, pp. 17-20. Dr. Alderman was an MD who broke ranks with the AMA's opposition to Medicare to point out that the elderly were not able to afford the medical treatment they needed.

¹³ *Congressional Record*, January 26, 1960, 1241-2.

¹⁴ *Congressional Record*, January 26, 1960, 1241-2.

¹⁵ 1965 *CQ Almanac*, p. 243.

¹⁶ *Congress and the Nation, 1945-1964*, p. 1154.

¹⁷ 1962 *CQ Almanac*, pp. 192-930; 1965 *CQ Almanac*, pp. 236-237; *Congress and the Nation, 1965-68*, p. 754.

¹⁸ *Congressional Record*, August 25, 1960.

¹⁹ *Congressional Digest*, "The 'Medicare' Controversy in the Current Congress, Pro & Con," March 1965, p. 74. The AMA, Chamber of Commerce, and health insurance associations promptly opposed this new health care measure. They testified to the committees holding the hearings and lobbied individual offices, warning of dire consequences if Medicare became a reality. Dr. Edward R. Annis of the AMA warned that Kennedy's proposal "would have disastrous effects on the quality of medical care our patients would receive." "The Controversy Over the Administration's New Medicare Plan for the Aged," *Congressional Digest*, January, 1962.

²⁰ *Congress and the Nation, 1945-1964*, "A Review of Government and Politics in the Postwar Years," 1965, p. 1154.

²¹ To counter President Kennedy's efforts, the AMA purchased time on national television to rebut his remarks. AMA President Dr. Leonard Arson said the Kennedy bill would deprive older people of a private system of medical care. AMA advertisements ran in 29 leading newspapers and on 40 FM radio stations across the country. And the AMA flooded the country with posters with the headline: "Socialized Medicine and You." and the warning: "your freedom is at stake." "Health-Plan Battle: The AMA or JFK," *Newsweek*, May 8, 1962. *

²² Address before National Retail Merchants Association, April 5, 1962, excerpted in *Congressional Digest* "The Question of Expanding Social Security to Provide More Medical Care for the Aged," August-September 1963.

²³ *Congressional Digest*, "The 'Medicare' Controversy in the Current Congress, Pro & Con," March 1965, p. 74.

²⁴ See, for example, Rep. Frank Row, Address to American Academy of General Practice, Chicago, April 1, 1963, excerpted in *Congressional Digest*, "The Question of Expanding Social Security to Provide More Medical Care for the Aged," August-September 1963.

²⁵ *Congressional Digest*, "The 'Medicare' Controversy in the Current Congress, Pro & Con," March 1965, p. 74.

²⁶ *Congressional Digest*, "The 'Medicare' Controversy in the Current Congress, Pro & Con," March 1965, p. 74.

²⁷ *Congressional Record*, August 31, 1964.

²⁸ 1962 *CQ Almanac*, p. 196.

²⁹ *Congressional Record*, August 31, 1964.

³⁰ *Congressional Record*, September 1, 1964.

³¹ Senate Speech, August 31, 1964 in, "The Medicare Controversy," *Congressional Digest*, March 1965.

³² *Congressional Record*, September 2, 1964.

³³ Senate Speech, September 2, 1964 in, "The Medicare Controversy," *Congressional Digest*, March 1965.

³⁴ "President's Plan for Care of Aged Voted by the Senate," *New York Times*, September 3, 1964.

³⁵ *Congressional Digest*, "The 'Medicare' Controversy in the Current Congress, Pro & Con," March 1965, p. 74.

³⁶ Milton Viorst, "How Medicare Was Lost This Year," *New Republic*, October 17, 1964, pp. 6-7.

- ³⁷ "Aid to Appalachia, Medicare Die in Adjournment Push," *Washington Post*, October 3, 1964.
- ³⁸ "Medicare Set For Next Round," *Business Week*, October 31, 1964, p. 32.
- ³⁹ News Conference, October 3, 1964.
- ⁴⁰ "How Medicare was Lost this Year," *New Republic*, October 17, 1964, pp. 6-7.
- ⁴¹ "Medicare Set for the Next Round," *Business Week*, October 31, 1964, p. 32.
- ⁴² *1965 CQ Almanac*, p. 247.
- ⁴³ 1965 State of the Union Address.
- ⁴⁴ *Congressional Digest*, "The 'Medicare' Controversy in the Current Congress, Pro & Con," March 1965, p. 74.
- ⁴⁵ *Congressional Record*, January 4, 1965.
- ⁴⁶ *Congressional Record*, January 6, 1965.
- ⁴⁷ *Congressional Record*, April 8, 1965, pp. 7389-90.
- ⁴⁸ *Congressional Record*, April 8, 1965, p. 7420.
- ⁴⁹ *Congressional Record*, April 8, 1965, p. 7434.
- ⁵⁰ *Congressional Record*, April 8, 1965, pp. 7389-90.
- ⁵¹ *Congressional Record*, April 3, 1965, p. 7375.
- ⁵² Based on Census Bureau's "Valuation of Non-Cash Benefits," 1993.
- ⁵³ Bruce Vladeck, Administrator, Health Care Financing Administration (HCFA), May 15, 1995; Karen Davis, President of Commonwealth Fund, "Medicare Solvency and Financial Security for Beneficiaries," testimony before U.S. Senate Budget Committee, May 3, 1995.
- ⁵⁴ Karen Davis, President of Commonwealth Fund, "Medicare Solvency and Financial Security for Beneficiaries," testimony before U.S. Senate Budget Committee, May 3, 1995; HCFA, "Medicare Fact Sheet," January, 1995.
- ⁵⁵ Karen Davis, President of Commonwealth Fund, "Medicare Solvency and Financial Security for Beneficiaries," testimony before U.S. Senate Budget Committee, May 3, 1995.
- ⁵⁶ DYG, Inc. poll for AARP, July 11, 1995.
- ⁵⁷ DYG, Inc. poll for AARP, July 11, 1995.
- ⁵⁸ Karen Davis, President of Commonwealth Fund, "Medicare Solvency and Financial Security for Beneficiaries," testimony before U.S. Senate Budget Committee, May 3, 1995.
- ⁵⁹ ICR Survey Research Group, for AARP, May 5-14, 1995.
- ⁶⁰ Gallup/USA Today Poll, June 5-6, 1995.
- ⁶¹ *Congressional Record*, July 30, 1985, p. S10367.
- ⁶² "GOP Leader Lashes Out at Medicare," *Chicago Tribune*, July 11, 1995.
- ⁶³ "Private Solutions Eyed for Medicare," *Washington Times*, July 8, 1995.
- ⁶⁴ Remarks recognizing the forthcoming 30th Anniversary of Medicare, July 12, 1995.

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