FYI

HEALTH – Medicare & Women

July 26, 1999

MEDICARE AND WOMEN EVENT

DATE:	July 27, 1999
LOCATION:	Presidential Hall
BRIEFING TIME:	9:35am – 9:55am
EVENT TIME:	10:00am – 10:50am
FROM:	Bruce Reed, Gene Sperling, Mary Beth Cahill, Chris Jennings

I. PURPOSE

To join the Older Women's League (OWL) in releasing a report entitled *"Medicare: Why Women Care,"* which includes a new analysis documenting why strengthening and modernizing Medicare is particularly important to women of all ages.

II. BACKGROUND

Today, in your remarks you will:

UNVEIL A NEW REPORT BY THE OLDER WOMEN'S LEAGUE. Nearly 60 percent of Medicare beneficiaries are women and this proportion rises with age – over 4 in 5 people over age 100 are women. Moreover, older women tend to have more chronic illness and lower incomes, making Medicare even more important as a health and financial safety net. Since it was created in 1965, Medicare has contributed to lengthening older women's lives by 20 percent and reducing their poverty rate dramatically. Yet, the 21st century brings with it challenges that will affect all beneficiaries.

Key findings of the report include:

- **In the next 30 years, the number of Medicare beneficiaries will double – most of them will be women.** In 2035 alone, there will be nearly 40 million elderly women and fewer than 34 million older men. This large enrollment increase is a major factor in the projected exhaustion date of the Medicare trust fund by 2015 and in the need for more revenue to avoid devastating cuts to the program.

- **Total prescription drug spending for women on Medicare averages $1,200 – nearly 20**

percent more than that of men. Moreover, like all beneficiaries, about three-fourths of women have coverage that is inadequate, unstable, and declining. Of those women without drug coverage, fully 50 percent have income above 150 percent of poverty (about $12,750 for a single, $17,000 for a couple), despite older women's lower average income.

- **Medicare's preventive benefits are underused by older women**. Financial and information barriers prevent older women from using critical preventive services. In recent years, just 1 in 7 women have taken advantage of Medicare-covered mammograms.

Other key findings include:
Medicare, A source of financial AND health care security for older women, is at risk.

- **Most elderly Americans covered by Medicare are women.** Twenty out of the 34 million elderly Americans covered by Medicare are women, who comprise nearly 3 out of 5 older Americans. The proportion of the elderly who are women rises with age; about 71 percent of people age 85 or older are women. Eighty-three percent of centenarians are women; in fact, the number of women age 100 or older will double in the next 10 years.

- **New revenue is necessary to ensure that the Medicare trust fund is solvent when women in the baby boom generation retire.** Since most women turning 65 today are expected to live through 2018, the projected insolvency of the Medicare Trust Fund will occur within their lifetime.

- **Women have greater health care needs and lower income.** Older women are more likely to need Medicare's health care services. About 73 percent have two or more chronic illnesses compared to 65 percent of men. Women's incomes are lower than men's incomes, and they must stretch fewer financial resources over longer lives. Seven out of 10 Medicare beneficiaries living below poverty are women. The increased likelihood that women will live alone in their later years places them at increased risk of poverty.

Women face greater cost burdens – and barriers to health care – because of Medicare benefit limitations. As important as Medicare coverage is to women, its benefits are outdated.

- **Higher out-of-pocket health spending.** The combination of greater health problems and lower income results in women on Medicare spending 22 percent of their income on health care compared to 17 percent for men. Lower income women spend an even greater share of their limited incomes on health care – 53 percent for the poorest.

- **Total prescription drug spending averages $1,200 for women on Medicare – 20 percent more than that of men.** Older women tend to have more chronic illnesses that require medication to manage.

- **For most women, existing coverage is unstable, unaffordable and declining.** Medigap routinely increase premiums with age – at age 85, premium for a Medigap plan with drug coverage up to $1,250 costs from $300 to $400 per month -- $3,600 to $4,800 per year. This discriminates against women, who comprise nearly three-fourths of people in this age group. It also charges more at a time where income has declined.

- **About 7.3 million women on Medicare have no coverage to help pay for their prescription drug costs.** Despite their lower average income, fully half of these women without drug coverage have income above 150 percent of poverty, underscoring the importance of drug coverage for people of all age groups.

- **Out-of-pocket payments for preventive services also constitute a barrier to health.** In recent years, just one in seven women without supplemental insurance used Medicare-covered mammograms. One study found that in 1993, only 37 percent of Medicare beneficiaries without supplemental insurance had Pap smears, compared with 59 percent of women who had supplemental insurance.

EMPHASIZE GREATER PROBLEMS FACING RURAL BENEFICIARIES IN ACCESSING PRESCRIPTION DRUG COVERAGE. In an event later today, the Vice President will release new facts on the challenges facing rural beneficiaries. Although one in four of all Medicare beneficiaries live in rural areas, over one in three (34 percent) of those lacking drug coverage live in rural America. In fact, nearly half of all rural beneficiaries lack drug coverage compared to 34 percent of all beneficiaries. This reflects the lower access to Medicare managed care and retiree health coverage for these beneficiaries. The Vice President will also release information documenting that lack of access to prescription drug coverage occurs throughout the income spectrum – 45 percent of rural beneficiaries with income above $50,000 lack prescription drug coverage compared to 25 percent of all beneficiaries.

HIGHLIGHT THE IMPORTANCE OF INVESTING IN THE FUTURE OF THE MEDICARE PROGRAM. Today, you, the First Lady and the Vice President will underscore the fact that there will not be a debate about how to strengthen Medicare or how to provide a prescription drug benefit if all of the surplus is invested in a large tax cut. You will state your strong belief that the Congress and the American public face an important decision: to invest in a stronger Medicare program for our mothers and grandmothers or give away the entire surplus on a risky and irresponsible tax scheme.

I. PARTICIPANTS

Briefing Participants:

Secretary Donna Shalala
Bruce Reed
Gene Sperling
Mary Beth Cahill
Chris Jennings
Jeanne Lambrew
June Shih

Event Participants:
The First Lady
Secretary Donna Shalala
Judy Cato

Judy Cato, 60, receives health insurance through her employer, but is worried about the stability of her coverage especially as she reaches retirement age. In addition to worrying about the health care needs of both herself and her husband, Judy is the primary caregiver to her 80 year-old mother who has lived with her family for three years. Her mother's prescription drug costs are approximately $300 monthly, and without the daily needs assistance Judy provides she would not be able to make it alone. Joan is employed as a site manager for Council House, a housing facility for low-income seniors. She has one daughter and one grandson.

II. PRESS PLAN

Open Press.

III. SEQUENCE OF EVENTS

- **YOU** and the First Lady will be announced, accompanied by Sec. Shalala and Judy Ca onto the stage.
- Secretary Shalala will make remarks and introduce the First Lady.
- The First Lady will make remarks and introduce Judy Cato.
- Judy Cato will make remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and depart.

VI. REMARKS

To be provided by speechwriting.

THE CLINTON-GORE ADMINISTRATION HIGHLIGHTS THE IMPORTANCE OF THEIR PLAN TO STRENGTHEN AND MODERNIZE MEDICARE TO WOMEN

July 27, 1999

Today, at the White House, President Clinton and First Lady Hillary Rodham Clinton joined the Older Women's League (OWL) in releasing a report entitled *"Medicare: Why Women Care,"* which includes a new analysis documenting why strengthening and modernizing Medicare is particularly important to women of all ages. The President and the First Lady also underscored the importance of taking advantage of the historic opportunity to dedicate a significant portion of the surplus to secure the life of the Medicare trust fund for a quarter century. In releasing this report, OWL stated its strong support for the President's vision of dedicating the surplus to strengthen Medicare, adding a prescription drug benefit, and improving preventive services.

The Vice President later joined the Democratic leadership and released a new analysis on the greater challenges that beneficiaries in rural America face in accessing prescription drug coverage. He pointed out that, although representing fewer than one-fourth of the Medicare population, beneficiaries living in rural areas account for over one in three of all beneficiaries lacking prescription drug coverage. Today, the Clinton-Gore Administration:

UNVEILED A NEW REPORT BY THE OLDER WOMEN'S LEAGUE. Nearly 60 percent of Medicare beneficiaries are women and this proportion rises with age – over 4 in 5 people over age 100 are women. Moreover, older women tend to have more chronic illness and lower incomes, making Medicare even more important as a health and financial safety net. Since it was created in 1965, Medicare has contributed to lengthening older women's lives by 20 percent and reducing their poverty rate dramatically. Yet, the 21st century brings with it challenges that will affect all beneficiaries.

Key findings of the report include:

- **In the next 30 years, the number of Medicare beneficiaries will double – most of them will be women.** In 2035 alone, there will be nearly 40 million elderly women and fewer than 34 million older men. This large enrollment increase is a major factor in the projected exhaustion date of the Medicare trust fund by 2015 and in the need for more revenue to avoid devastating cuts to the program.

- **Total prescription drug spending for women on Medicare averages $1,200 – nearly 20 percent more than that of men**. Moreover, like all beneficiaries, about three-fourths of women have coverage that is inadequate, unstable, and declining. Of those women without drug coverage, fully 50 percent have income above 150 percent of poverty (about $12,750 for a single, $17,000 for a couple), despite older women's lower average income.

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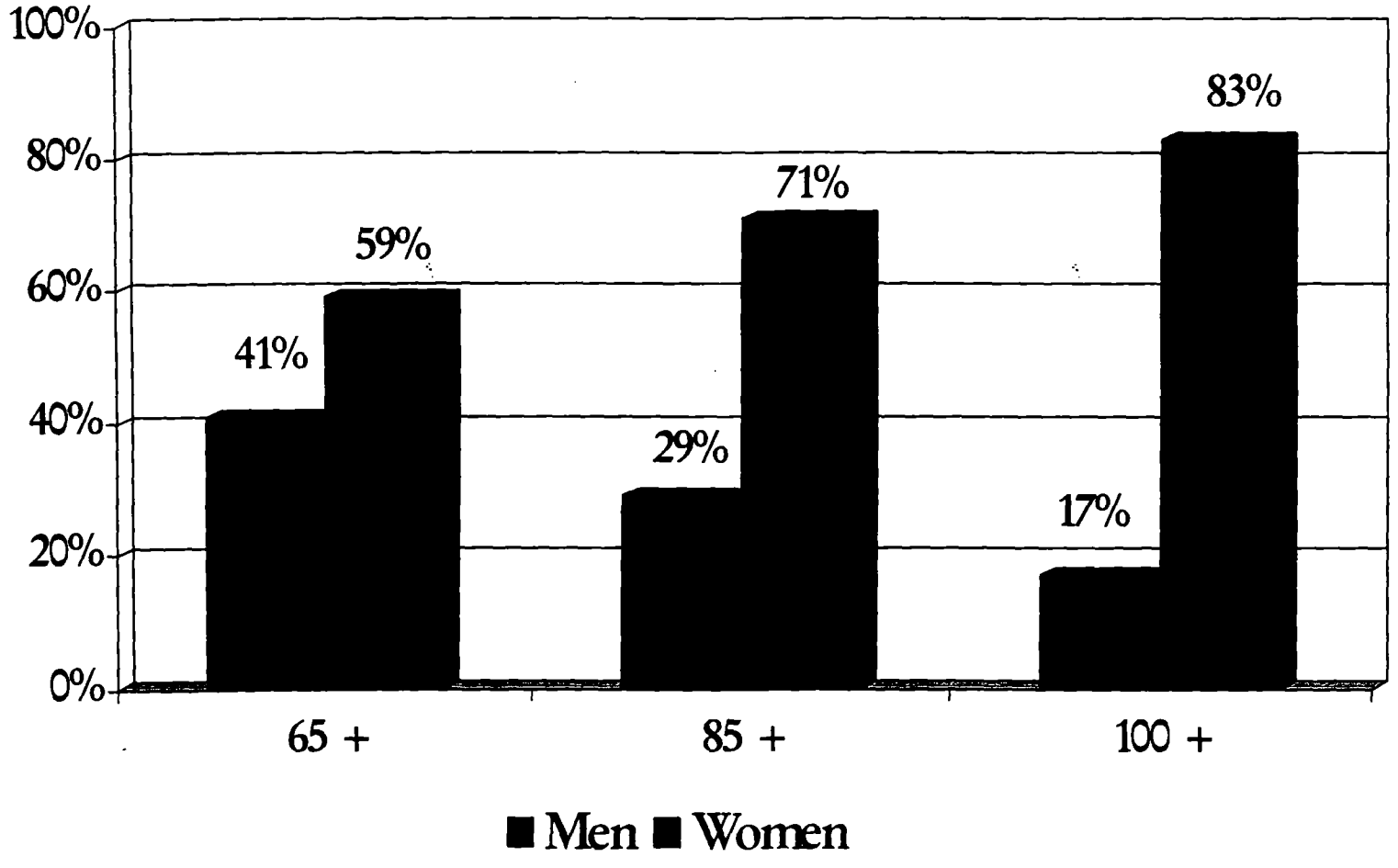
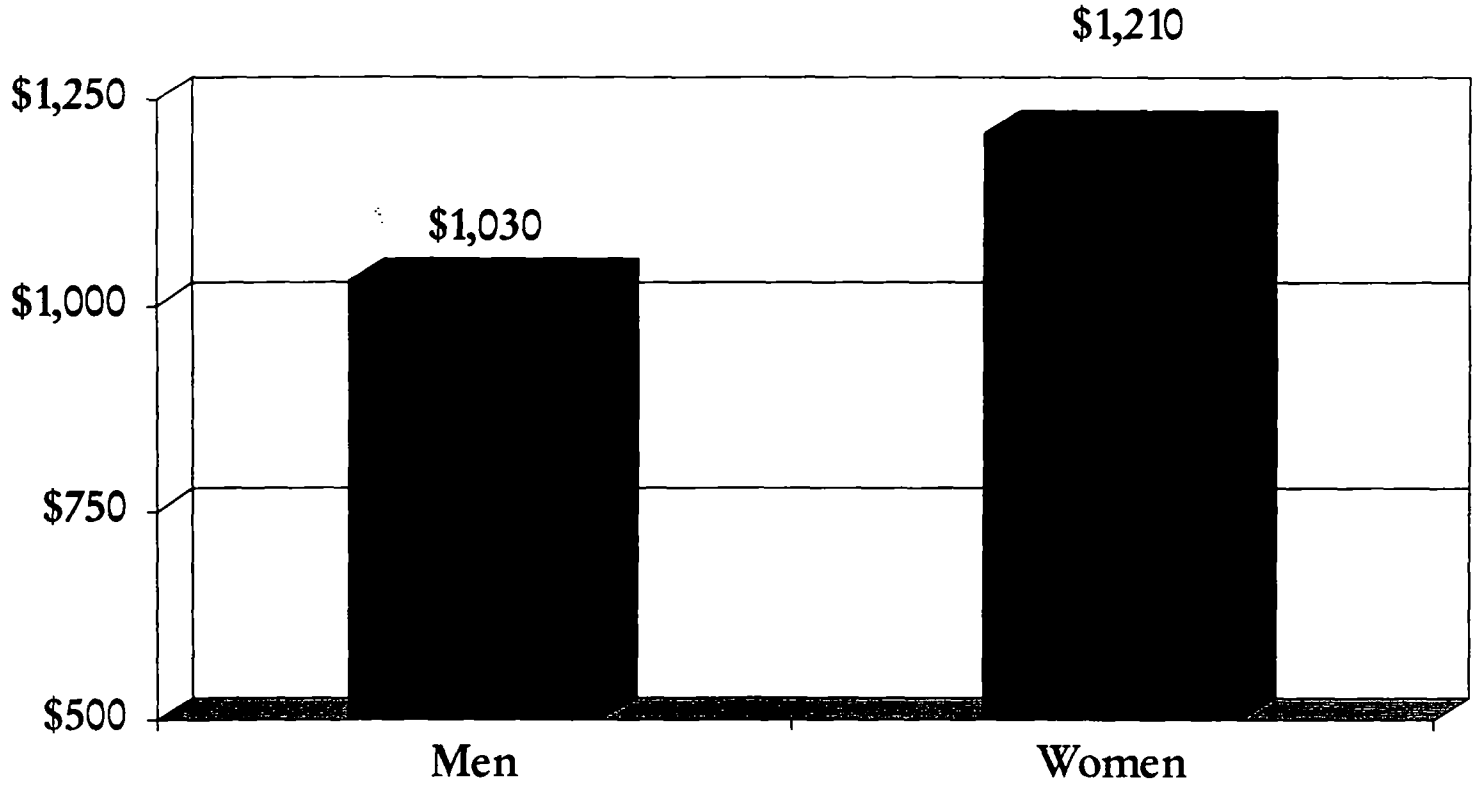
Most Medicare Beneficiaries Are Women



Source: U.S. Census Bureau projections for 2000. As cited in OWL Report

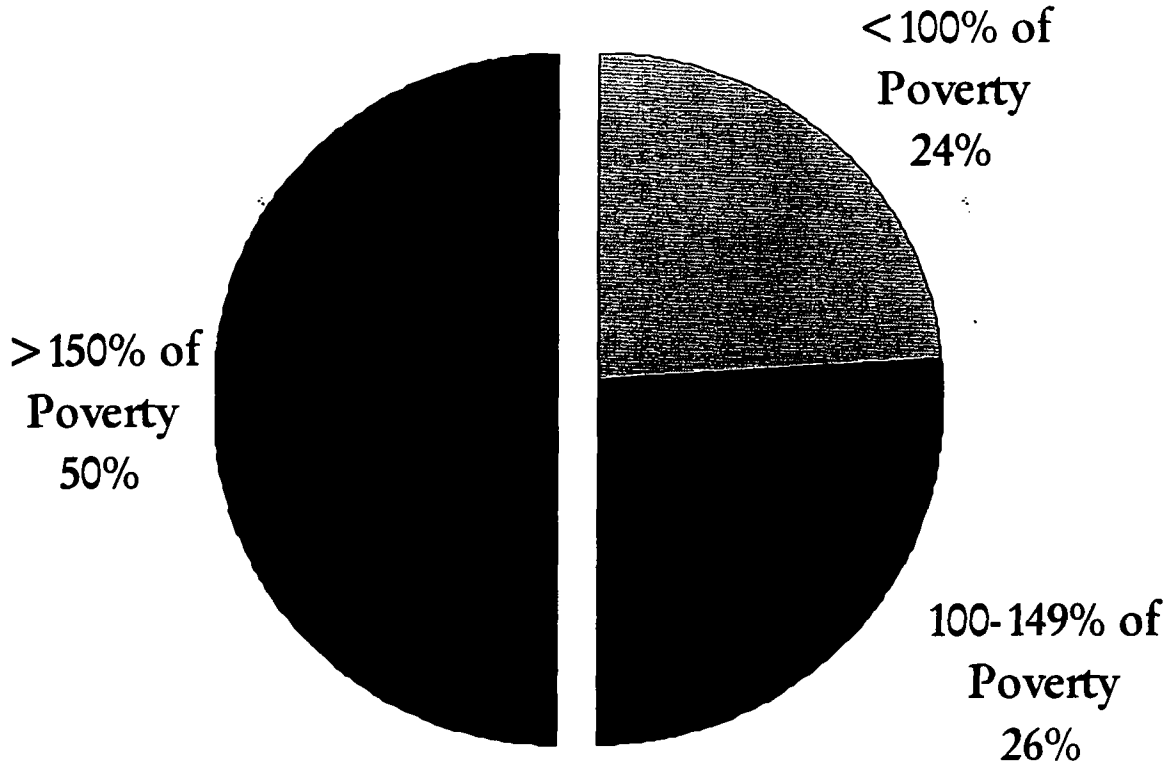
Total Prescription Drug Spending For Women On Medicare Is $1,200: Nearly 20% More Than Men



Average Total Drug Spending, 2000

Source: Actuarial Research Corporation. As cited in OWL Report

Half Of Women on Medicare Without Drug Coverage Are Middle Income



Source: Actuarial Research Corporation. As cited in OWL Report
150% of poverty is about $12,750 for a single, $17,000 for a couple in 2000