DRAFT: PRESIDENT CLINTON ENACTS LEGISLATION TO PROVIDE LONG-TERM CARE INSURANCE TO FEDERAL WORKERS
Urges the Congress to Act Now to Assist All Families with Long-Term Care Needs
September 19, 2000

Today, President Clinton will sign into law the Long Term Care Security Act, which authorizes the Office of Personnel Management (OPM) to negotiate with private insurers to offer more affordable, high-quality, long-term care insurance policies to Federal employees, retirees, and their families. This initiative, which will provide a new insurance option to 13 million Americans, will serve as a model program for private employers throughout the nation. The President will also urge the Congress to take additional legislative steps this fall to provide assistance to the millions of Americans of all ages who currently have extraordinary unmet long-term care needs and who could not purchase private long-term care policies at any price. Specifically, he will call on the Congress to pass his $3,000 tax credit for the chronically ill; to reauthorize and strengthen the Older Americans Act by adding a new caregivers initiative; and to pass a long-overdue and voluntary Medicare prescription drug benefit.

MILLIONS OF AMERICANS HAVE LONG-TERM CARE NEEDS

- **An increasing number of Americans have a range of long-term care needs.** Over five million Americans have significant limitations due to illness or disability and thus require long-term care. Approximately, two-thirds are older Americans. Also, millions of adults and a growing number of children have long-term care needs because of health condition from birth or a chronic illness developed later in life.

- **The aging of Americans will only increase the need for quality long-term care options.** The number of Americans age 65 years or older will double by 2030 (from 34.3 to 70 million), so that one in five Americans will be elderly. The number of people 85 years or older, nearly half of whom need assistance with everyday activities, will grow even faster – from approximately 4 million to 9 million.

- **Families, who are the primary caregivers for people with long-term care needs, pay a big price for this care.** Although it is difficult to quantify, one study found that the economic value of care giving for families ranges from $4,800 to $10,400 per caregiver. As such, this new $3,000 tax credit could cover up to 60 percent of families' costs. In addition, not only are caregiving responsibilities expensive, they can be physically demanding and psychologically exhausting.

PRESIDENT CLINTON ENACTS NEW LONG-TERM CARE INSURANCE OPTION FOR FEDERAL EMPLOYEES. The legislation President Clinton will sign today, the Long Term Care Security Act, (HR 4040) provides the 13 million Federal employees, retirees, and their families with a new option to purchase non-subsidized, quality private long-term care insurance. The new insurance options will cover a range of services at group rates, including home health care, adult day care, and nursing home care. This legislation allows OPM to use its purchasing power to negotiate savings of 15 to 20 percent on commercial long-term care insurance rates and to ensure that such products meet high quality standards. It will establish the Federal government as a model employer and provide private-sector companies with a model for offering quality long-term care insurance. Because employers are only beginning to learn how to provide these benefits to their workers, only about 4 million Americans – 1.5 percent of all Americans – have private long-term care insurance. OPM anticipates that approximately 300,000 Federal employees will participate in this program.

PRESIDENT CLINTON CHALLENGES THE CONGRESS TO PASS INITIATIVES HELPING AMERICANS WHO NEED LONG-TERM CARE ASSISTANCE NOW. The Clinton-Gore Administration's long-term care initiative, unveiled by President Clinton and Vice President Gore, First Lady Hillary Rodham Clinton and Tipper Gore, includes:

- **Supports for people with long-term care needs and their families through a $3,000 tax credit.** This initiative acknowledges and supports millions of Americans with long-term care needs or the family members who care for and house their ill or disabled relatives through a phased in $3,000 tax credit. This new tax credit supports the diverse needs of families by compensating a wide range of formal or informal long-term care for people of all ages with three or more limitations in activities of daily living (ADLs) or a comparable cognitive impairment. It would provide needed financial support to about 2 million Americans, including 1.2 million older Americans, over 500,000 non-elderly adults, and approximately 250,000 children per year. This credit would be phased in beginning with $1,000 in 2001 and rising in $500 increments, so eligible people would receive $3,000 in 2005 and thereafter. The credit would be phased out beginning at $110,000 for couples and $75,000 for unmarried taxpayers. It costs about $8.8 billion over five years and $26.6 billion over 10 years.

- **Reauthorizing and strengthening the Older Americans Act (OAA) to assist family caregivers of seniors.** For more than 35 years, the OAA has helped millions of seniors lead more independent lives by enabling communities to offer them vital, everyday basics like transportation and meals-on-wheels. Today, President Clinton will urge the Congress to reauthorize the OAA and strengthen it by funding our Family Caregivers Program. This nationwide program would support families who care for elderly relatives with chronic illnesses or disabilities by enabling states to utilize a visible, reliable network to provide: quality respite care and other support services. This program, which costs more than $1.25 billion over 10 years, would assist approximately 250,000 families nationwide. Recent studies have found that services like respite care can relieve caregiver stress and delay nursing home entry, and that support for families of Alzheimer's patients can delay institutionalization for up to a year.

- **Passing a new, voluntary Medicare prescription drug benefit.** Older Americans who lack prescription drug coverage have been found to become institutionalized at twice the rate of those seniors with prescription drug coverage. In addition, this population requires and utilizes a much greater proportion of medications, to manage and treat chronic conditions. For this reason, a meaningful, affordable, voluntary Medicare prescription drug benefit is a critical component of an effective long-term care strategy.

BUILDS ON THE NEW NURSING HOME INITIATIVE RECENTLY UNVEILED BY THE CLINTON-GORE ADMINISTRATION. Today's announcement builds on President Clinton's recent action to improve nursing home quality nationwide. The initiative: (1) invests $1 billion over 5 years in a new grant program to increase staffing levels nationwide and improve quality of nursing home care; (2) imposes immediate penalties on nursing facilities placing residents at risk and reinvests these funds in the new grant program; (3) directs the Health Care Financing Administration to establish national minimum staffing requirements and complete recommendations for appropriate reimbursement within two years; (4) helps families make informed decisions by providing accurate information on staffing levels; and (5) launches a new campaign to identify and prevent unintended weight loss and dehydration among nursing home residents.

Devorah R. Adler
10/02/2000 02:46:08 PM

Record Type: Record

To: Joshua S. Gottheimer/WHO/EOP@EOP

cc: Mara A. Silver/WHO/EOP@EOP
Subject: information for wednesday

Hello --

Here's what we're talking about:

DRUGS

Here's the low-income report and some talking points that we did on why low-income sucks.


low income final.doc

bush tp 9-14.doc

LONG-TERM CARE

Here's the latest press release on LTC and a summary of our initiative. Also, see the paragraph on the Older Americans Act in the press release.


LTC Press 1-18.doc

opm final.doc

REIMPORTATION

Here's our language on the reimportation compromise. There's a really good chance that we're going to get everything we want and will end up signing it.

As you know, our people are growing more and more concerned that the pharmaceutical industry often sells the same drugs for a much higher price in the United States than it does in other countries, even when those drugs are manufactured here at home. This forces some of our most vulnerable citizens, including seniors and people with disabilities, to pay the highest prices for prescription drugs in the world. This is simply unacceptable.

That is why I support the "Medicine Equity and Drug Safety Act of 2000," which the Senate passed by an overwhelming vote of 74 to 21. This important legislation would give Americans access to quality medications at the lower prices paid by citi-zens in

other nations. The Senate bill, sponsored by Senators Jeffords, Wellstone, Dorgan and others, would allow wholesalers and pharmacists to import FDA-approved prescription drugs and would establish a new safety system intended to track these imports and test them for authenticity and degradation. Before this provision could take effect, the Secretary of Health and Human Services would be required to certify that the regulations would, first, pose no risk to the public health; and, second, significantly decrease prices paid by consumers. With these protections in place and the $23 million necessary to implement them, this legislation would meet the test that we both believe is crucial -- preserving the safety of America's drug supply.

Although your letter implies support for legislation similar to the Senate-passed bill, I am concerned by its statement that seniors would "buy lower-priced drugs <u>in</u> countries like Canada" [*emphasis added*]. Of course, few seniors live near the Canadian or Mexican borders and even fewer can afford to cross the border in search of lower-price drugs. Moreover, policies like the House's Coburn amendment would strip the FDA of all of its ability to monitor safety and prevent seniors from buying counterfeit drugs, putting their health in danger and their finances at risk.

I urge you to send me the Senate legislation -- with full funding -- to let wholesalers and pharmacists bring affordable prescription drugs to the neighborhoods where our seniors live. Though this initiative does not address seniors' most important need -- meaningful insurance to cover the costs of expensive medications -- it still has real potential to allow consumers to access prescription drug discounts.

How wonderful that you're working on this!

Let's talk about this soon, Devorah

JACKSONVILLE, FLORIDA

Demographics:

Population in Jacksonville: 693,630
Race in Duval County: White, 64.5%; African American, 28.1%; Hispanic, 4.01%; Asian American, 2.9%
Housing in Duval County: 37.1% renting; 72.5% owner with a mortgage; 2.9% condos

Economy:

Jobs created in Jacksonville (through August 2000): 110,075
Jobs created in Florida (through August 2000): 1,736,400
Unemployment in Jacksonville: January 1993, 6.2%; August 2000, 3.3%
Unemployment in Florida: January 1993, 7.3%; August 2000, 3.7%
Median household income in Duval County: $41,486 (1998)

Education Level in Duval County:

Completed College Four or more Years: 19.62%
One to Three Years of College: 28.28%
Completed High School: 30.72%
One to Three Years of High School: 14.83%
Completed Elementary School: 6.55%
Median Years of School Completed: 12.9

4423. Unlaid eggs are uncertain chickens. *Dutch*

4424. You can't play with eggs on a rock slab! *African (Hausa)*

EGGPLANT

4425. Eggplants do not grow on melon vines. *Japanese*

ELBOW-GREASE

4426. Elbow-grease gives the best polish. *English*

ELDER

4427. Respect the elders: they are our fathers. *African (Yoruba)*

4428. Reverence your elder, for the man excelling in age excels in wisdom. *African (Efik)*

4429. When there are no elders, the town is ruined; when the master dies, the house is desolate. *African (Yoruba)*

ELEPHANT

4430. An elephant can do nothing to a tamarind tree, except it be to shake it. *African (Wolof)*

4431. An elephant does not eat small berries. *African (Ga)*

4432. An elephant, however lean, is valuable. *Indian (Hindustani)*

4433. An elephant is not affected by sunshine or rain. *Indian (Tamil)*

4434. An elephant is not burdened by its tusks. *African (Shona)*

4435. An elephant will reach to the roof of the house. *African (Efik)*

4436. An elephant without a keeper is like a man without a wife. *Vietnamese*

4437. Don't meddle in assisting the elephant in carrying his tusks. *Thai*

4438. Don't waste spears on stabbing rhinos when elephants may still show up. *African (Shona)*

4439. Even an elephant may slip. *Indian (Tamil)*

4440. Even elephants will stumble, though they have four feet. *Malaysian*

4441. Even if the forest is undone, the elephant is above running. *African (Hausa)*

4442. However poor the elephant, it will be worth more than ten frogs. *African (Hausa)*

4443. If an elephant enters the forest and breaks trees it will not stop the hare breaking grass. *African (Fulani)*

4444. If the elephant were not in the wilderness, buffalo would be the greatest. *African (Jabo)*

4445. If you're going to move, move like an elephant, not like a hyena. *African (Hausa)*

4446. It is easy to cut to pieces a dead elephant, but no one dares attack a live one. *African (Yoruba)*

4447. It is one man who kills an elephant, but many people who eat its flesh. *African (Ashanti)*

4448. No one who is following an elephant has to knock the dew off the grass. *African (Ashanti)*

4449. On the death of an elephant the tusk remains, on the death of a tiger the skin. *Indian (Tamil)*

4450. One elephant does not raise a cloud of dust. *African (Ovambo)*

4451. The elephant and tiger are afraid of fire. *Indian (Tamil)*

4452. The elephant does not bite, it is that trunk one fears. *African (Hausa)*

4453. The elephant does not feel a flea bite. *Italian*

4454. The elephant does not see the fruit seed. *African (Ovambo)*

4455. The elephant dreams one thing, the elephant driver another. *Iranian*

putting all your Basques in one exit. *Franklin P. Adams*

A wise Marchant neuer aduentureth all his goodes in one ship. *Thomas More, 1513*

Behold, the fool saith, "Put not all thine eggs in one basket"—which is but a manner of saying, "Scatter your money and your attention," but the wise man saith, "Put all your eggs in the one basket and—WATCH THAT BASKET." *Mark Twain, Pudd'nhead Wilson's Calendar*

Science without religion is lame, religion without science is blind. *Albert Einstein*

The cunning hare has three holes. *Chinese proverb*

You can't unscramble EGGS. ***J. Pierpont Morgan (attributed), ca. 1905; WM-178***

Broken eggs can never be mended. *New England proverb*

Once the toothpaste is out of the tube, it's hard to get it back in. *H. R. Haldeman, on Watergate*

Spilled water is hard to retrieve. *Chinese proverb*

Things done cannot be undone. *1539, T-660*

Respect your ELDERS.

A man's age commands veneration; a woman's demands tact.

The hoary head is a crown of glory. *Proverbs 16:31*

Many a man that couldn't direct you to the drug store on the corner when he was thirty will get a respectful hearing when age has further impaired his mind. *Finley Peter Dunne, Mr. Dooley on Making a Will*

Old folks know more about being young than young folks know about being old. *Peter's Almanac*

An ELEPHANT never forgets.* *1937, WM-178*

Women and elephants never forget.

*Burton Stevenson (B-675) regards this proverb as a modern variation of an ancient Greek proverb, "The camel never forgets an injury."

The EMPEROR has no clothes.

Freedom comes only from seeing the ignorance of your critics and discovering the emptiness of their virtue. *David Seabury*

If all the world went naked, how could we tell the kings?

Kings are not born: they are made by universal hallucination. *G. B. Shaw, Maxims for Revolutionists*

The Clothes Have No Emperor. *Title of an anti-Reagan book by Paul Slansky, 1989*

Should an employee risk criticizing company policy, or question the quality of its products? Warns career counselor Marilyn Moats Kennedy: "The kid who said the emperor had no clothes didn't get a scholarship to Mandarin U." *Chicago Tribune, May 12, 1996*

To knock a thing down, especially if it is cocked at an arrogant angle, is a deep delight to the blood. *George Santayana, Life of Reason*

Message to the House of Representatives Returning Without Approval the "Marriage Tax Relief Reconciliation Act of 2000",
August 5, 2000

To the House of Representatives:

I am returning herewith without my approval H.R. 4810, the "Marriage Tax Relief Reconciliation Act of 2000," because it is poorly targeted and one part of a costly and regressive tax plan that reverses the principle of fiscal responsibility that has contributed to the longest economic expansion in history.

My Administration supports marriage penalty relief and has offered a targeted and fiscally responsible proposal in our fiscal year 2001 budget to provide it. However, I must oppose H.R. 4810. Combined with the numerous other tax bills approved by the Congress this year and supported by the congressional majority for next year, it would drain away the projected surplus that the American people have worked so hard to create. Even by the Congressional Budget Office's more optimistic projection, this tax plan would plunge America back into deficit and would leave nothing for lengthening the life of Social Security or Medicare; nothing for voluntary and affordable Medicare prescription drug benefits; nothing for education and school construction. Moreover, the congressional majority's tax plan would make it impossible for us to get America out of debt by 2012. [p.1794]

H.R. 4810 would cost more than $280 billion over 10 years if its provisions were permanent, making it significantly more expensive than either of the bills originally approved by the House and the Senate. It is poorly targeted toward delivering marriage penalty relief—only about 40 percent of the cost of H.R. 4810 actually would reduce marriage penalties. It also provides little tax relief to those families that need it most, while devoting a large fraction of its benefits to families with higher incomes.

Taking into account H.R. 4810, the fiscally irresponsible tax cuts passed by the House Ways and Means Committee this year provide about as much benefit to the top 1 percent of Americans as to the bottom 80 percent combined. Families in the top 1 percent get an average tax break of over $16,000, while a middle-class family gets only $220 on average. But if interest rates went up because of the congressional majority's plan by even one-third of one percent, then mortgage payments for a family with a $100,000 mortgage would go up by $270, leaving them worse off than if they had no tax cut at all.

We should have tax cuts this year, but they should be the right ones, targeted to working families to help our economy grow—not tax breaks that will help only a few while putting our prosperity at risk. I have proposed a program of targeted tax cuts that will give a middle-class American family substantially more benefits than the Republican plan at less than half the cost. Including our carefully targeted marriage penalty relief, two-thirds of the relief will go to the middle 60 percent of American families. Our tax cuts will also help to send our children to college, with a tax deduction or 28 percent tax credit for up to $10,000 in college tuition a year; help to care for family members who need **long-term care**, through a $3,000 **long-term care** tax credit; help to pay for child care and to ease the burden on working families with three or more children; and help to fund desperately needed school construction.

And because our plan will cost substantially less than the tax cuts passed by the Congress, we'll still have the resources we need to provide a Medicare prescription drug benefit; to extend the life of Social Security and Medicare; and to pay off the debt by 2012—so that we can keep interest rates low, keep our economy growing, and provide lower home mortgage, car, and college loan payments for the American people.

This surplus comes from the hard work and ingenuity of the American people. We owe it to them to make the best use of it—for all of them, and for our children's future.

Since the adjournment of the Congress has prevented my return of H.R. 4810 within the meaning of Article I, section 7, clause 2 of the Constitution, my withholding of approval from the bill precludes its becoming law. The Pocket Veto Case, 279 U.S. 655 (1929). In addition to withholding my signature and thereby invoking my constitutional power to "pocket veto" bills during an adjournment of the Congress, to avoid litigation, I am also sending H.R. 4810 to the House of Representatives with my objections, to leave no possible doubt that I have vetoed the measure.

William J. Clinton
The White House,
August 5, 2000.

Source: United States. Executive Office of the President, Weekly Compilation of Presidential Documents, Week Ending Friday, August 11, 2000 (Washington, D.C.: U.S. Government Printing Office, 2000), 36:1793-1794

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Terry Edmonds
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1

Revised Final 8/4/00 10:00 a.m.
Sam Afridi

PRESIDENT WILLIAM J. CLINTON
RADIO ADDRESS ON VETOING TAX BILL
THE WHITE HOUSE
WASHINGTON, DC
August 5, 2000

Good morning. Seven years ago this month, we set out on a course to eliminate the deficit, invest in education and technology, and open markets for American products overseas. By sticking to that path, we have turned record budget deficits into record surpluses, and produced the longest economic expansion in history--with over 22 million new jobs, the lowest unemployment rate in 30 years, and the lowest minority unemployment rate on record. Income taxes for the typical family are now the lowest in 35 years, and we're on track to achieving something unimaginable just a few years ago: an America that's debt-free by the year 2012.

This is the right path for America. It's a path that allows us to pay down the debt, save Social Security and Medicare, and cut taxes for middle class families. We cannot retreat from the opportunity of a lifetime to keep our economy strong and move our country forward. That's why today I am vetoing legislation that represents the first installment of a fiscally reckless tax strategy.

Today's economic progress is the direct result of a commitment to common sense, kitchen-table values—values like responsibility and fairness, putting first things first, being smart with the money we have, and not spending what we don't. To stay true to these values, I've consistently vowed to veto tax breaks that abandon our pledge of fiscal discipline. Without this commitment, we wouldn't have a surplus today. We wouldn't be paying down the debt. We wouldn't have lower interest rates—which have lead to record business investment and an effective tax cut for the typical family--$2,000 less in home mortgage payments each year, $200 less in car payments, $200 less in student loans.

Now once again, America is being asked to turn back. On Capitol Hill, the Republican

majority has passed a series of expensive tax breaks that would drain nearly a trillion dollars from the projected surplus this year alone. And out there on the campaign trail, they are proposing over a trillion dollars more in tax giveaways.

Let me be clear: If they support both the tax cuts this year and the tax cuts of the Republican Presidential nominee, that would drain more than $2.1 trillion from the projected surplus. And let's remember that's what it is: a **projected** surplus. This is not money in the bank.

Even by Congress' own rosy estimates, their tax breaks would drive America back into deficits. That will mean higher interest rates which, in effect, would be like raising taxes on the American people.

My questions to the Republican leadership are simple. Do you stand behind this $2 trillion tax strategy? And if so, how do you justify a policy that leaves nothing for saving Social Security or Medicare; nothing for a new Medicare prescription drug benefit; nothing for education? How will we pay off the debt for our children?

When it comes to tax breaks, there are some who think the sky is the limit. I support middle class tax cuts. But I believe we simply can't afford a $2 trillion U-turn on the path of fiscal discipline and economic progress. Good times won't survive bad choices. So I will veto that plan—all at once or piece by piece--however they send it to me.

There is a better way. Earlier this summer, I made a good-faith offer to the Republican leadership in Congress: If they passed an affordable, voluntary Medicare prescription drug benefit--I would sign a marriage penalty relief law. Unfortunately, they rejected this honest compromise.

There is another chance. When Congress returns, we can work together for a middle class tax cut that meets the most important needs of American families while still fulfilling our responsibility to pay off our debt, strengthen Social Security and Medicare, create a voluntary Medicare prescription drug benefit, and invest in education. We can pass tax cuts that will help families pay for college...or care for elderly relatives or those with disabilities...or make child care more affordable. And tax cuts that include targeted marriage penalty relief.

We can do this and still meet our priorities and pay off the debt by 2012. We can keep interest rates down—with lower home mortgages, car payments and college loan payments for America's families.

To Congress, I say: Let's not squander the surplus or this moment. Let's keep our economy strong, provide targeted middle class tax relief, and extend our prosperity to all Americans for years to come. Let's sit down and get it done. Thanks for listening.

# # #

Public Papers of the Presidents

Public Papers of the Presidents

August 5, 2000

CITE: 36 Weekly Comp. Pres. Doc. 1792

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BODY:

Good morning. Seven years ago this month we set out on a course to eliminate the deficit, invest in education, and open markets for American products overseas. By sticking to that path, we have turned record budget deficits into record surpluses and produced the longest economic expansion in history, over 22 million new jobs, the lowest unemployment rate in 30 years, the lowest welfare rolls in 30 years, the lowest minority unemployment rate on record. Income taxes for the typical family are the lowest now in 35 years, and we're on track to achieve something unimaginable a few years ago, a debt-free America by 2012.

Now, this is the right path for America. A path that allows us to pay down the debt, lengthen the life of Social Security and Medicare, keep investing in education, and cut taxes for middle class families. We can't retreat from this opportunity of a lifetime to keep our economy strong and move our country forward. That's why I'm vetoing legislation that represents the first installment of a fiscally reckless tax strategy.

Today's economic progress is the direct result of a commitment to commonsense, kitchen-table values, responsibility and fairness, putting first things first, not spending what we don't have, looking out for our children's future. To stay true to these values, I've consistently vowed to veto tax breaks that abandon our pledge of fiscal discipline. For without this commitment, we wouldn't have a surplus today; we wouldn't be paying down the debt; we wouldn't have lower interest rates, which have led to record business investment and an effective tax cut for typical families -- $ 2,000 in lower home mortgage payments, $ 200 less in car payments, $ 200 less in student loan payments.

Now once again, in spite if all this evidence, America is being asked to turn back. On Capitol Hill, the Republican majority has passed a series of expensive tax breaks to drain nearly a trillion dollars from the projected surplus. On the campaign trail, they are proposing over another trillion dollars in tax giveaways.

If they support both the tax cuts this year and the tax cuts of their Republican Presidential campaign, they would drain over $ 2 trillion from the projected surplus. And that's just what it is, projected; it's not money in the bank.

Even by Congress' own optimistic estimates, their total tax breaks would put us back into deficits. That means higher interest rates, which is like another tax increase on ordinary Americans.

So I asked the Republican leadership, do you really stand behind this $ 2 trillion tax cut strategy? If so, how do you justify leaving nothing for Social Security or Medicare, nothing for a new Medicare **prescription drug** benefit or education? And how will we ever make America debt free?

Now let me be clear. I support tax cuts but tax cuts we can afford. We can't afford a $ 2 trillion U-turn on the path of fiscal discipline and economic progress. That is not the way to continue our efforts to use these good times for great goals.

For 7 1/2 years we've achieved those great goals in the economy, in education, in welfare reform, in health care, in crime, in the environment, in building one America. If we want to keep making

progress, we've got to keep making good choices. And committing 100 percent of the surplus, that may or may not materialize, to tax cuts is not a good choice. There is a better way.

Earlier this summer, I made an offer to the Republican leadership that I would sign a marriage penalty relief law if they would pass an affordable, voluntary Medicare **prescription drug** benefit available to all seniors and disabled Americans who need it. Unfortunately, they rejected my offer. They've got another chance, though. When they come back, we can work together for a middle class tax cut to help Americans send their children to college, provide long-term care for elderly or disabled relatives, make child care more affordable, provide targeted marriage penalty tax relief. We can do that and still pay off the debt, strengthen Social Security and Medicare, create a voluntary Medicare **prescription drug** benefit, and invest in education. We can do this. And that's what we ought to do. We ought to keep interest rates down and save the future for our children.

Let's not squander the surplus or this moment. Let's keep our economy strong, provide affordable tax relief, and extend our prosperity into the future. Let's do it together.

Thanks for listening.

NOTE: The address was recorded at 12:18 p.m. on August 4 in the Map Room at the White House for broadcast at 10:06 a.m. on August 5. The transcript was made available by the Office of the Press Secretary on August 4 but was embargoed for release until the broadcast.

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 19, 2000

REMARKS BY THE PRESIDENT
AT SIGNING OF HR 4040,
THE LONG-TERM CARE SECURITY ACT

Presidential Hall
Dwight D. Eisenhower Building

11:00 A.M. EDT

THE PRESIDENT: I should say Joan is, first of all, an amazing person. And her husband and her three children are here. Their son and daughter thanked me for getting them out of school today. I just want the members of Congress to know there are extended social benefits to these sort of --

I want to thank Senators Cleland, Mikulski and Sarbanes for being here, and Representatives Scarborough, Allen, Davis, Morella, Holmes Norton, Cardin, Moran, and Cummings for coming. All of these representatives in Congress -- I think that's 11 -- and many more are truly responsible for this happy day, and they worked in a genuine bipartisan spirit to produce this legislation.

I want to thank Janice LaChance and the others at the Office of Personnel Management who worked so hard on it, and the National Association of Retired Federal Employees, the Retired Officers Association, the Treasury Employees Union, and others.

I'm very honored to be signing this legislation today, so near the end of my service, because the first bill I signed as President was the Family and Medical Leave law. And since then, some -- more than 25 million of our fellow citizens have taken time off from work to care for a child or an ill loved one without losing their job. It's made a difference in America. Everywhere I go, somebody comes up and mentions it to me even today.

We come in the same spirit to sign the Long-Term Care Security Act, and over time, this legislation will help more and more families to meet the challenge of caring for our parents and grandparents, and others in our families that need long-term care.

Part of the long-term care problem is what I affectionately call a high-class problem -- we're living longer. In 1900, the average American couldn't expect to live beyond 50. Today the average American's life expectancy is 77. Americans who live to be 65 have the highest life expectancy in the world; they can expect to live to be almost 83. Amazing as it sounds, there are currently more than 65,000 living Americans who are at least 100 years old. That's enough to fill

the Houston Astrodome and put two teams on the field. And if we do it right, before you know it, some of those hundred-year-olds will be fit enough to play.

Now, these numbers are only going to keep rising as the baby boomers age. By 2030, one out of every five Americans will be 65 or older, and there will be 9 million people over 85. I hope to be one of them.

We all know there are many joys to aging, but, unfortunately, there are also the challenges to our good health, our independence and sometimes a lifetime of savings. The cost of nursing home care now tops $50,000 a year, an extraordinary sum few families can afford. Even home care is expensive, as you have just heard -- in terms of direct costs, low income, and enormous challenges to family time and parent time.

The legislation I'm about to sign, the Long-Term Care Security Act, will help families plan ahead. It will enable current and former federal employees, military personnel and all their families to choose from a menu of quality, long-term care insurance options, and purchase their choice at reduced group rates. That means as many as 13 million people will now be able to plan for the future without fear of financial ruin should such care become necessary.

The legislation also will spur more American companies to offer employees the option of affordable high-quality long-term care insurance. I believe that. I believe this will lead into the creation of a market that will benefit people far beyond the reach of the employees and former employees that are covered.

The insurance industry has called this legislation a model for private sector employers, and we thank them for their support, as well. We are also pleased that this groundbreaking legislation has, as it must have had to pass, enjoyed strong bipartisan backing; further proof that not only do Democrats and Republicans both get old, but when we put progress before partisanship we can tackle our toughest challenges.

Today's signing represents an important step toward meeting the phenomenal demographic changes that we're facing in a humane and decent and, I believe, highly intelligent way. It helps to make sure that the aging of America will be, on balance, a great blessing, and not an overwhelming burden to our children and our grandchildren.

Now, as I said, the Long-Term Care Security Act helps many families plan for the future, enabling them to buy good insurance. We believe it will help a lot of families beyond the reach of the law by creating markets which private sector employers will also be able to take advantage of for their employees. But we know there are millions of people already chronically ill, who can't buy insurance at any price, and who do need help right now. That's why I'm so glad that Joan and her family joined us here today.

In homes all across America, 7 million of our fellow citizens are like the Madarases. Seven million are caring for loved ones -- primarily elderly loved ones, sometimes children or other close family members who have disabilities. For some, it is a joy, a chance to share memories over a cup of coffee, a chance to share the rhythm and cycles of life. But for others it

also includes constant labor, or watching the shroud of Alzheimer's transform a soul mate into a stranger, as happened to an uncle and an aunt of mine. These are burdens that people shoulder every day and, as you heard, unapologetically, proudly, loyal to their families, understanding that loving someone for a lifetime means taking the bad along with the good.

But the rest of us ought to lighten their load. And we ought to recognize that these simple, extraordinary sacrifices, rooted in love and loyalty, are also an exceptional boon to society. For whatever their cost to these families, the cost to society is far less than it would be if they had to give up and put their loved ones in institutionalized care.

So if we were to pass our $3,000 tax credit to provide chronically ill Americans and their families with desperately needed financial relief, it would be, over the long run, less expensive than paying the full cost of institutional care for those who have to give up because the burden becomes too heavy. This $27 billion initiative eventually could cover up to 60 percent of the cost the families provide -- incur in providing long-term care. But as I said, it's only a small percentage of the cost that would be involved if the families had to give up providing that care.

It's the kind of tax cut our families most need. It will improve the lives of those who need it the most. It will make us a better country because we will fully live up to our professed faith and support for families.

After five years of waiting I hope we can also finally reauthorize the Older Americans Act. It has helped, for more than 35 years, millions of seniors to lead more independent lives by funding vital, everyday basics like transportation and Meals on Wheels. And I hope we will reauthorize it and strengthen it by funding our caregivers initiative, as well, to provide families with the information, counseling and support services they need to sustain their selfless missions.

Finally, I hope that we will succeed in passing a voluntary affordable Medicare drug benefit this fall, which also will be a great help to families. Many of the people providing long-term care are doing it for people with extraordinary medicine requirements. Studies show that seniors who lack this kind of coverage are twice as likely to be admitted to nursing homes as those who have it. So, again, this is not only the humane and decent thing to do, it's also common sense. It's good for family ties and good for economics.

We have a golden opportunity, as so many of our fellow citizens move into their golden years, to meet the challenges of the aging of America. We have never had a better opportunity to do it, because of our prosperity and our surplus. So I hope that we will continue to build on the spirit embodied in this bill today.

The Long-Term Care Security Act is worth celebrating. It is worth celebrating for what it does, for the indirect benefits it will have for people who are not covered by it, but whose employers will be able to get this kind of group insurance, and for what it says about our values and what we can do in the future. I hope that we'll take every opportunity to build on it.

And now I'd like to ask all the folks on the stage with me to gather round and I'll sign the bill. Thank you very much.

END 11:10 A.M. EDT

Option 3

Buy Now / Hold / Save

AirTran

Flight: **AirTran Airways flight 61** on a McDonnell Douglas D(
Departs: **Wednesday, Oct. 04**
From: Washington DC Dulles (IAD) **at 3:00pm**
To: Atlanta, GA (ATL) **at 4:55pm**
Stops: None

AirTran

Flight: **AirTran Airways flight 935** on a Boeing 717 Jet
Departs: **Wednesday, Oct. 04**
From: Atlanta, GA (ATL) **at 5:50pm**
To: Jacksonville, FL (JAX) **at 7:00pm**
Stops: None

Price: 1 adult @ USD 303.00 **Total: US**

Option 4

Buy Now / Hold / Save

AirTran

Flight: **AirTran Airways flight 339** on a McDonnell Douglas D
Departs: **Wednesday, Oct. 04**
From: Washington DC Dulles (IAD) **at 5:40pm**
To: Atlanta, GA (ATL) **at 7:30pm**
Stops: None

AirTran

Flight: **AirTran Airways flight 579** on a Boeing 717 Jet
Departs: **Wednesday, Oct. 04**
From: Atlanta, GA (ATL) **at 8:15pm**
To: Jacksonville, FL (JAX) **at 9:33pm**
Stops: None

Price: 1 adult @ USD 399.50 **Total: US**

Option 5

Buy Now / Hold / Save

Flight: **United Airlines flight 7725 operated by UNITED EXP/ATLANTIC COAST** on a Canadair Regional Jet
Departs: **Wednesday, Oct. 04**
From: Washington DC Dulles (IAD) **at 7:45am**
To: Jacksonville, FL (JAX) **at 9:38am**
Stops: None

Price: 1 adult @ USD 524.50 **Total: US**

Option 6

Buy Now / Hold / Save

Continental Airlines

Flight: **Continental Airlines flight 3480 operated by CONTI EXPRESS** on a ATR Turboprop
Departs: **Wednesday, Oct. 04**
From: Washington DC Dulles (IAD) **at 7:00am**
To: Newark, NJ (EWR) **at 8:25am**
Stops: None

Continental Airlines

Flight: **Continental Airlines flight 1783** on a Boeing 737-500
Departs: **Wednesday, Oct. 04**
From: Newark, NJ (EWR) **at 8:55am**
To: Jacksonville, FL (JAX) **at 11:36am**
Stops: None

Price: 1 adult @ USD 527.00 **Total: US**

Option 8

Buy Now
Hold / Save

Flight: **Delta Air Lines flight 1785** on a McDonnell Douglas M
Departs: **Wednesday, Oct. 04**
From: Washington DC Reagan (DCA) **at 7:00am**
To: Atlanta, GA (ATL) **at 8:59am**
Stops: None

Flight: **Delta Air Lines flight 486** on a Boeing 757 Jet
Departs: **Wednesday, Oct. 04**
From: Atlanta, GA (ATL) **at 9:35am**
To: Jacksonville, FL (JAX) **at 10:37am**
Stops: None

Price: 1 adult @ USD 530.00 **Total: US**

Option 9

Buy Now
Hold / Save

Flight: **US Airways flight 1147** on a McDonnell Douglas DC9
Departs: **Wednesday, Oct. 04**
From: Washington DC Reagan (DCA) **at 8:07am**
To: Philadelphia, PA (PHL) **at 9:05am**
Stops: None

Flight: **US Airways flight 1012** on a Boeing 737-300 Jet
Departs: **Wednesday, Oct. 04**
From: Philadelphia, PA (PHL) **at 9:45am**
To: Jacksonville, FL (JAX) **at 12:06pm**
Stops: None

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Option 4

Buy Now
Hold / Save

Flight: **US Airways flight 259** on a Boeing 737-300 Jet
Departs: **Tuesday, Oct. 03**
From: Washington DC Reagan (DCA) **at 8:10pm**
To: Charlotte, NC (CLT) **at 9:29pm**
Stops: None

Flight: **US Airways flight 854** on a Boeing 737-300 Jet
Departs: **Tuesday, Oct. 03**
From: Charlotte, NC (CLT) **at 10:35pm**
To: Jacksonville, FL (JAX) **at 11:45pm**
Stops: None

Price: 1 adult @ USD 527.00 **Total: US**

Option 5

Buy Now
Hold / Save

Flight: **Delta Air Lines flight 1854** on a McDonnell Douglas M
Departs: **Tuesday, Oct. 03**
From: Washington DC Reagan (DCA) **at 5:55pm**
To: Cincinnati, OH (CVG) **at 7:37pm**
Stops: None

Flight: **Delta Air Lines flight 2108** on a McDonnell Douglas M
Departs: **Tuesday, Oct. 03**
From: Cincinnati, OH (CVG) **at 8:50pm**
To: Jacksonville, FL (JAX) **at 10:37pm**
Stops: None

Price: 1 adult @ USD 530.00 **Total: US**

Option 6

Buy Now
Hold / Save

Flight: **Delta Air Lines flight 893** on a Boeing 757 Jet
Departs: **Tuesday, Oct. 03**
From: Washington DC Reagan (DCA) **at 9:00pm**
To: Atlanta, GA (ATL) **at 10:51pm**
Stops: None

Flight: **Delta Air Lines flight 1409** on a Boeing 757 Jet
Departs: **Tuesday, Oct. 03**
From: Atlanta, GA (ATL) **at 11:45pm**
To: Jacksonville, FL (JAX) **at 12:47am Wednesday, Oct.**
Stops: None

Price: 1 adult @ USD 530.00 **Total: US**

Option 7

Buy Now
Hold / Save

Flight: **US Airways flight 3110 operated by US AIRWAYS EXPRESS-PIEDMONT AIRLINES** on a Dehavilland D
Turboprop
Departs: **Tuesday, Oct. 03**
From: Washington DC Reagan (DCA) **at 7:16pm**
To: Philadelphia, PA (PHL) **at 8:20pm**
Stops: None

Flight: **US Airways flight 955** on a Boeing 737-400 Jet
Departs: **Tuesday, Oct. 03**
From: Philadelphia, PA (PHL) **at 9:15pm**
To: Jacksonville, FL (JAX) **at 11:24pm**
Stops: None

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release September 26, 2000

REMARKS BY THE PRESIDENT
AT ECONOMIC EVENT

Presidential Hall
Dwight D. Eisenhower Building

11:45 A.M. EDT

THE PRESIDENT: Thank you very much. Ladies and gentlemen, we're here to talk about some good news for our economy and what it means for hardworking Americans. I want to thank those on our administration team who had a lot to do with the results that I will be announcing today.

I thank John Podesta and I thank Gene Sperling, our Council of Economic Chair Martin Baily, and the other members of the Council of Economic Advisors; Jack Lew and Sylvia Mathews at OMB; and all the people at OMB and the staff at the Council of Economic Advisors; all the folks who work in the White House and those who have been part of the groups that have helped us and our economic team and the government to achieve the results that the American people have worked for and earned.

As John Podesta just described, when we took office the deficit was $290 billion and rising. It was projected to be about $450 billion this year. Twelve years of irresponsible fiscal policies had quadrupled the debt of the United States, giving us low growth and very high interest rates. Unemployment was high, confidence was low.

Al Gore and I worked hard to change that, with a strategy of fiscal discipline, investment in our people and expanded trade. A big part of our strategy was to make sure that all the American people could participate in the growth of our nation. We expanded the earned income tax credit, nearly doubling it to make sure that work pays for people who work on modest incomes.

We raised the minimum wage, passed the Family and Medical Leave law, enacted a $500 child tax credit, passed the Kennedy-Kassebaum bill to make sure people could carry their health insurance with them when they changed jobs, created the HOPE Scholarship tax credit and other increases in college aid for the biggest expansion in college opportunity since the G.I. Bill over 50 years ago.

Now, we all know that the American people have done a lot with these changes. We have the lowest unemployment in 30 years, the lowest female unemployment in 40 years, the lowest Hispanic and African American unemployment ever recorded. So the 22 million jobs and the longest economic expansion in history have truly had a broad base of benefits -- the rising tide has been lifting all boats.

Today, I'm pleased to announce that we have reached another economic milestone. In its annual study on income and poverty, the Census Bureau reports that last year typical household income rose $1,072, to the highest level ever recorded, breaking $40,000 for the first time.

American incomes have been on the rise for five years running now. Since 1993, when we launched our economic strategy, median family income

has risen by 15 percent. That means, for the typical family, after inflation, $6,300 more a year in real purchasing power for the things that matter most -- sending their children to college, covering critical health care costs, saving for a secure retirement.

And the poverty rate has fallen to 11.8 percent, the lowest in 20 years. Since 1993, 7 million Americans have moved out of poverty, 2.2 million in the last year alone. The equality part of this recovery is picking up steam. Last year, African American and Hispanic poverty rates took their largest drop ever. Child poverty dropped more than any year since 1966. And elderly poverty fell below 10 percent for the first time in history.

The rising tide of the economy is lifting all boats. Every income group is seeing economic growth, with the greatest gains, in percentage terms, being made by the hardest-pressed Americans. In 1999, as the report shows, African American and Hispanic households experienced the biggest boosts in their incomes ever.

Today, the most important thing we can say about our economy is that it works for working families, and its success belongs to all the American people. If we stay on the path that got us here, the path of fiscal discipline, we can reach even greater heights of prosperity. If we add the New Markets initiative, and an expansion of the empowerment zone program the Vice President has led so ably these last years, we can extend it even further, to people and places still left behind, so that the gains we are seeing in the cities reach as far as our rural communities and Native American reservations. We can also achieve something once unthinkable. We can make our country debt free for the first time since the presidency of Andrew Jackson in 1835.

Months ago, I presented a budget that sticks to the path of fiscal discipline and makes critical investments in America's future, that saves Social Security, strengthens Medicare, and includes a voluntary prescription drug benefit, invests in education, and increases accountability, and pays down the debt by 2012.

Now there's less than a week left in this fiscal year, and Congress still has not passed 11 of the 13 appropriation bills. Congress still has not raised the minimum wage, or taken other initiatives to keep all Americans' lives improving, along with the economy, including a strong, enforceable patients' bill of rights, voluntary Medicare prescription drug benefits, or tax cuts for college tuition, child care and long-term care.

I was, however, encouraged this week that the Republican leadership said that they will work with me and the Congressional Democrats in the face of the drug company's opposition, to give Americans access to prescription drugs that are cheaper in other countries. I think it's wrong when drug companies sell the same drugs for a much higher price at home than they do overseas, even when those drugs are manufactured right here in America.

Some of the most vulnerable Americans -- seniors and people with disabilities -- are paying the highest prices for prescription drugs made in America, in the entire world.

I support the legislation the Senate has passed to right this wrong. If fully funded, the Senate bill meets my condition that the prescription drugs we import here are every bit as safe as the ones already on the shelves of America's pharmacies. With this protection in place, we can preserve the safety of our prescription drug supply and cut prices for the pharmaceuticals Americans need.

The idea has potential, as long as the leadership in Congress sees

it as part of a real solution, not part of a campaign strategy. Of course, again I say, it's only part of a solution. A discount doesn't help you much if you've got more than $10,000 in catastrophic drug costs. What you need, what all seniors need, is something that makes drugs cheaper, but helps you pay for them, as well. What you need is a Medicare prescription drug benefit that is optional, affordable and dependable.

I'm disappointed by the congressional leadership's suggestion that there's not time enough to pass such a benefit, and I disagree. Every day Congress is still in session is another day it could be working overtime to provide a Medicare prescription drug benefit and to meet our other pressing national priorities.

There is still time for Congress to raise the minimum wage, to pass the bipartisan New Markets legislation; to help close the growing digital divide; to give our American children more opportunities in education; to reduce class size with more highly trained teachers; to fix crumbling, old schools and to build new ones; to support after-school programs for all the children in this country who need it; and to increase accountability by requiring states not only to identify failing schools, but to turn them around or put them under new management.

The remarkable success of our economy, the rising incomes, the falling poverty rates, show again how much we can achieve when we work hard, make the right choices and work together. The American people do that every day of the year. So for just a few days, the days left in this legislative session, I hope the Congress will work with me in that same spirit and with the same eye toward achievement.

This is a good day for America. We have proved that we can lift all boats in a modern, global, information-based economy. But we have a lot to do. The success and the progress should urge us on.

Thank you very much. (Applause.)

END 11:53 A.M. EDT

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Jeff Shesol

PRESIDENT WILLIAM J. CLINTON

REMARKS ON LONG-TERM CARE TAX CREDIT

DOVER, NEW HAMPSHIRE

February 18, 1999

Sue Gustafson
SS - Energy, Comm
WC - Chng-

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- Mayor William Boc

THE PRESIDENT HAS SEEN
2-18-99

Acknowledgments: Gov. Shaheen; Beth Dixon; Karen Goddard; [redacted]; David Robar; other [redacted] CHRISTINE MONTERO, STEPHEN GORIN (DOMINGO, GILMORE, TAYLOR, TWARDUS, PELLETIER, PELLETIER) STATE LEGISLATORS / COUNCIL MEMBERS / COUNTY COMMISSIONERS

I want to thank the Governor for her remarks, and I especially want to thank her for all she's doing to improve the quality and availability of health care here in New Hampshire. I think her proposals are good ones. And I think they will go a long way toward helping the people of New Hampshire meet the challenges of health care in the 21st Century.

THE PRESIDENT HAS SEEN
2-18-99

Today, our panelists will discuss a number of these challenges: from the rights of patients to the concerns of small businesses providing coverage; and from the health care needs of children to those of the elderly and people with disabilities. My administration has been working for six years now to make progress in these areas; and my latest balanced budget renews that commitment, ~~We remain focused on the future. And that is why I want to talk this morning about meeting the~~ w/ a part. focus on the greatest challenges of the new century: the aging of America. As the Baby Boom becomes the Senior Boom, long-term care will become a growing need. So it is more important than ever that we help families provide that essential kind of care for their loved ones.

THE PRESIDENT HAS SEEN
2-18-99

In my balanced budget, I have proposed and paid for a long-term care tax credit of $1,000 to help families do exactly that.

I will say more about that proposal in a moment. But first, let me paint the larger picture, and say that a long-term care tax cut is exactly the kind of tax cut we should be making. As you know, we are engaged in a great national debate right now about how to use the budget surplus. ~~Now, we can all agree that America should have~~ ~~tax cuts.~~ ~~But there are two very different ways we can go about it. First, there is the old way -- failed and full of risk -- that some Republicans are trying to resurrect. They are saying: splurge today, save tomorrow.~~

That's why I have proposed top priority be given to saving SS + MC, paying down the debt and strengthening our econ for 21st C → [illegible],

That's not the approach that Vice President Gore and I [illegible]

have proposed. Our approach says invest today, save for tomorrow. I in Am's future. Our kind of tax cut doesn't destroy our fiscal discipline, but preserves it. Our kind of tax cut is not indiscriminate, but is, instead, targeted to meet people's real needs for the future. Above all, our kind of tax cut allows us to meet our responsibility to future generations -- and to invest the lion's share of the surplus in saving Social Security and Medicare first.

THE PRESIDENT HAS SEEN
2-18-99

THE PRESIDENT HAS SEEN
2-18-99

As I have said: ~~In the future, in the 21st Century,~~ ~~America will be an aging nation.~~ ~~And~~ as the ranks of the elderly grow, so do the numbers of vulnerable Americans who ~~cannot fend for themselves~~. Already, millions of households are caring for elderly relatives and neighbors and people with disabilities. It is the cycle of life. Our parents worked and saved and sacrificed for us in our youth; adult children are working and saving and sacrificing for their parents in old age.

THE PRESIDENT HAS SEEN
2-18-99

Providing long-term care at home is, more and more often, a common choice, but it is rarely an easy one. We heard about these challenges at the Family Conference the Vice President hosted in Nashville last summer; and he is now helping to lead our efforts by holding a series of forums across the nation. We have seen that out-of-pocket expenses can be high, since long-term care is rarely covered by private insurance or Medicare. Moreover, caregivers who hold jobs outside the home -- and that is a vast majority -- may have to take unpaid leave or work fewer hours to fulfill all their responsibilities.

We have taken steps to ease the burdens on these families in a number of ways: by strengthening Medicare, by extending the trust fund, by promoting prevention and cracking down on fraud and abuse. But the aging of America in the 21st Century will require more of us. The long-term care tax cut I proposed last month would help to meet the needs of individual families, empowering them to do what is best, showing them how very much we value the work they do. And it is only one part of our comprehensive long-term care initiative: I have also proposed a national Caregiver Support Program, as well as new steps to help Medicaid pay for home- and community-based care.

Caregiving is a vital and sacred compact among generations -- and one we should recognize and reward as a nation.

There is more we must do to improve health care in America. We should join together across party lines to pass a strong, enforceable Patients' Bill of Rights -- as well as the landmark legislation proposed by Senators Jeffords, Kennedy, Roth, and Moynihan to allow people with disabilities to keep their health insurance when they go to work. Congress should also pass my plan to help small businesses insure their employees, since it is the smallest companies that often face the greatest difficulty in providing coverage.

And we must keep working until our uninsured kids have the coverage they need and deserve. In 1997, we passed the largest investment in children's health in a generation, helping extend coverage to up to 5 million children; and now, in states across the country, Governors like Jeanne Shaheen are working to find and enroll every single eligible child. In this way, we are all working together to build a stronger and healthier America for the 21st Century.

I know our panelists have some important perspectives to share. I am looking forward to starting that discussion.

[*The President asks the panelists a question TK.*]

THE FOLLOWING IS A LIST (TO DATE) OF ELECTED OFFICIAL GUESTS WHO PLAN TO JOIN US FOR THE

2000 DLC ANNUAL FALL DINNER

- OCTOBER 3, 20000 -

HON. EVAN BAYH (IN)
HON. JOHN BREAUX (LA)
HON. DICK BRYAN (NV)
HON. DICK DURBIN (IL)
HON. MARY LANDRIEU (LA)
HON. FRANK LAUTENBERG (NJ)
HON. BLANCHE LINCOLN (AR)

HON. SHELLEY BERKLEY (NV)
HON. DONNA CHRISTIAN-CHRISTENSEN (VI)
HON. BOB CLEMENT (TN)
HON. JAMES CLYBURN (SC)
HON. JOSEPH CROWLEY (NY)
HON. CAL DOOLEY (CA)
HON. BOB ETHERIDGE (NC)
HON. CHARLIE GONZALEZ (TX)
HON. RUBEN HINOJOSA (TX)
HON. RUSH HOLT (NJ)
HON. DARLENE HOOLEY (OR)
HON. STENY HOYER (MD)
HON. SHEILA JACKSON LEE (TX)
HON. BILL JEFFERSON (LA)
HON. CHRIS JOHN (LA)
HON. CAROLYN KILPATRICK (MI)
HON. RON KIND (WI)
HON. JOHN LARSON (CT)
HON. KEN LUCAS (KY)
HON. JIM MALONEY (CT)
HON. KAREN MCCARTHY (MO)
HON. MIKE MCINTYRE (NC)
HON. DENNIS MOORE (KS)
HON. JIM MORAN (VA)
HON. GRACE NAPOLITANO (CA)

HON. ELEANOR NORTON (DC)
HON. SOLOMON ORTIZ (TX)
HON. BILL PASCRELL (NJ)
HON. ED PASTOR (AZ)
HON. DON PAYNE (NJ)
HON. DAVID PHELPS (IL)
HON. DAVID PRICE (NC)
HON. SILVESTRE REYES (TX)
HON. CARLOS ROMERO-BARCELO (PR)
HON. LORETTA SANCHEZ (CA)
HON. BRAD SHERMAN (CA)
HON. RONNIE SHOWS (MS)
HON. IKE SKELTON (MO)
HON. VIC SNYDER (AR)
HON. DEBBIE STABENOW (MI)
HON. JOHN TANNER (TN)
HON. ELLEN TAUSCHER (CA)
HON. BENNIE THOMPSON (MS)
HON. MIKE THOMPSON (CA)
HON. STEPHANIE TUBBS JONES (OH)
HON. JIM TURNER (TX)
HON. MELVIN WATT (NC)
HON. BOB WEYGAND (RI)
HON. DAVID WU (OR)

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2000 DLC ANNUAL FALL DINNER

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DINNER WILL BE SEATED AT 7:00 P.M. SHARP.

ATTACHED YOU WILL FIND A LIST OF ELECTED OFFICIALS WHO WILL JOIN US FOR DINNER THIS EVENING.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE DLC DEVELOPMENT DEPARTMENT AT (202) 546-0007.

THE WHITE HOUSE

Office of the Press Secretary
(North Miami Beach, Florida)

For Immediate Release September 19, 1995

REMARKS BY THE PRESIDENT
TO THE COMMUNITY

Carvill Park Community Center Baseball Field
Jacksonville, Florida

9:47 A.M. EDT

THE PRESIDENT: Thank you so much. Wow! Sheriff Glover, I don't ever want to be on the ballot against you. (Applause.) I'm glad to be here.

Thank you, Congresswoman Carinne Brown, (ph) for your friendship and your support, and thank you for your support of the crime bill, which has made our streets safer and made the children's future here more secure. (Applause.) Thank you, Governor Chiles, for being my friend and advisor and for your leadership. And thank you, Lt. Governor McKay, for your long support and your leadership here. Mayor Delaney, we are delighted to be here in this great and growing community. I want to thank you and the State's Attorney, Harry Shorenstein, and all the other local officials here.

And I want to say, as President, it's a particular honor for me to be here in Jacksonville not only because this is a vibrant, growing city that did get a professional football team -- (applause.) Don't be discouraged by the rough starts. I've had a lot of rough starts in my life. (Applause.) The opera is not over. (Laughter.)

I want to also say a special word of thanks to the people of Jacksonville for the remarkable contribution that has been made by this community over so many years to the national defense of the United States. We are grateful for that and we continue to be grateful for that. (Applause.)

I want to say a special word of appreciation, too, to Florida's own, our Attorney General, Janet Reno, for the wonderful job that she has done as the Attorney General of the United States. (Applause.) And the Director of our COPS Program who is also here on my far left, Joe Brandt, (ph) from California, who has come to Washington as a Chief of Police to work with us to get these police officers out in the United States. I thank them for being here and I thank them for their leadership.

I want to thank all the schools that are represented here. I have a list. I may miss some, but I think we're joined by Kite Elementary School, Lake Forest Elementary, Moncrease (ph) Elementary, Ribalt (ph) Middle School, Raines (ph) and Ribalt (ph) High School. (Applause.) And the Edward Water College Choir, thank you. (Applause.)

I'd also like to thank one more person -- Police Officer Larisa Crenshaw (ph), who walked down the street with me today, because

she and these other officers in uniform behind me, they're what we're here to talk about. I thank her, and I thank these people for being willing to serve your community in law enforcement. (Applause.)

You know, when I ran for President in 1992, I had a vision of what I wanted America to look like as we enter the 21st century. I want this to be a high-opportunity country for all Americans, where entrepreneurs can flourish, where people who work hard can be in the middle class, where we shrink the under class and give everybody who is willing to do what it takes to make the most of their own lives a chance to do it. I wanted us to have strong families and strong communities, with good education systems, good health care, a clean environment. (Applause.)

But I knew that in order to do that we first had to tackle the problems of crime and drugs. Without safe streets, safe schools, and safe homes, America will never be what it ought to be. (Applause.)

We've worked hard for the last two and a half years -- to bring the deficit down, to invest more in education, to deal with all of these issues I talked about, and we've got more jobs and less crime in America than we had two and a half years ago. And I think that's pretty good evidence that our strategy is working to move this country forward. (Applause.)

On the issue of crime, I was astonished when I got to Washington, having been a governor for 12 years -- if there was one issue that had nothing to do with partisan politics all my life, it was crime. I never met a Republican or a Democrat that wanted to be a victim of crime. I couldn't imagine that there would ever be any partisan issue there. When I was a governor, when I was attorney general, we all worked together on issues affecting public safety. And I can see that's what you do here in Jacksonville.

When I got to Washington, I discovered that even though the violent crime rate had tripled from the 1960s to the 1990s, they had been fighting partisan battles over the crime bill for six long years. Hot air in Washington, more crime on the streets.

In 1994, we ended the hot air and the partisan bickering, and passed the crime bill, and crime is going down on the streets of America. (Applause.) The crime bill featured more police, helped the states to build more prisons, stronger punishment for people who deserve it, but also more prevention to give our young people something to say yes to as well as something to say no to -- the chance to avoid getting into trouble in the first place. (Applause.)

We made three strikes and you're out the law of the land. What that means is that people who are serious career criminals now will go to jail for the rest of their careers so they can't get out and continue to do violence and to victimize people. (Applause.) We banned deadly assault weapons from our streets and from our schools, while protecting hundreds of sporting weapons for law-abiding hunters and sportsmen and women in this country. It was a good balance, and the right one to strike. (Applause.)

We created an office to combat the problems of violence against women in the home and on the street, a special problem in the United States and one the First Lady talked about when she went to China and represented us so well there just a few days ago. (Applause.)

The most important thing we did was to give the communities f this country the ability to hire 100,000 police officers to do what hese 31 police officers behind me are going to do -- to walk up and down the streets of America like Marvin Street to talk to neighbors, to

talk to people, to get them involved in keeping their communities safe and free of crime. (Applause.)

We give the communities the resources they need to put the police officers on the street, and people like Sheriff Glover all over America take responsibility to train and deploy those officers. Then the officers help ordinary citizens, like the folks I just visited with, walking up and down the street, to find the commitment to do their part in fighting against crime.

If we're going to make our streets safe, if we're going to do what we have to do to give our children a chance at a future, we have got to have the help of grass-roots citizens who are willing to work with police officers. If we can get them on the streets, you've got to help them do their jobs. (Applause.)

In the six months since community police officers started patrolling this neighborhood, in six months, violent and property crimes have dropped by more than eight percent in just six months. And they're just beginning. (Applause.)

What I want you to know is that, just like Sheriff Glover said that Jacksonville could do anything, America can do this. We do not have to put up with the high rates of crime we have. We do not have to put up with the high rates of drug abuse among our children we have. We can do something about it. You have evidence on this street, in this neighborhood. We can do something about it. (Applause.)

All over America today, the crime rate is down, the murder rate is down. We see people making progress to take control of their own lives, their families, their neighborhoods, their schools, and get this country going in the right direction.

But let me tell you, there are also troubling signs on the horizon. And I'll just give you two. While drug use is down among people between the ages of 18 and 34, casual drug use, marijuana, among teenagers is going back up again. While the crime rate is down all over America and the murder rate is down, violent crime among teenagers is going up again.

The Justice Department issued a report the other day which showed that while the overall crime rate is down, violent crime among juveniles is going up, and a majority of members of gangs say that they think they are justified in shooting someone who treats them with disrespect. We actually had a case in another city not very long ago where a 16-year-old boy shot a 12-year-old boy who was sort of the neighborhood comic. And he thought the 12-year-old boy was treating him with disrespect.

Whatever happened to count to 10 before you do something you might later regret? Whatever happened to kids being taught that sticks and stones can break your bones, but words can never hurt you? (Applause.) Whatever happened to people defining self-respect based on what they believe about themselves, not what somebody else says about them? (Applause.) Shoot, if the President followed that rule, he wouldn't have any respect. (Laughter and applause.)

You think about it. It's a big problem. Look at what happened in Los Angeles over the weekend. A family took one wrong turn and because they were in the wrong place, gang members felt they had the right to shoot at them and take their lives, kill an innocent child.

So what I want to tell you is, this is a moment of great hope. We know we can lower the crime rate. We know we can lower the murder rate. We know we can reduce drug abuse and drug dealing in our

neighborhood. We know we can take our streets back. We know how to do it. Your Sheriff has proved that he can do it, working with you if you will help him. We know how to do this. (Applause.)

This is one of the most important things that has happened to America in the last 20 years. We don't believe we are helpless in the face of crime anymore. We know we can turn it around. But we also know that the job is not yet done. (Applause.)

Therefore, to go back to what the Congresswoman said at the beginning, we fought through partisan political battle to get this crime bill. I heard people say on the floor of Congress that the crime bill was a fraud, that it wouldn't help to lower the crime rate, that we would never get 20,000 police on the street in six years, and we were promising 100,000 in six years. Well, in one year, we're over 25,000, and we're going to make it on time, ahead of the budget, ahead of the schedule. (Applause.)

And we now have a consensus among the American people. I believe that we ought to keep on lowering the crime rate. I don't believe -- I haven't heard the first person write me a letter and say, Dear Mr.President, I don't like the fact that the crime rate is going down. Please stop what you're doing. (Laughter.) I haven't gotten one letter saying that.

Now, in Washington the Congress is trying to balance the budget. I support that. We ought to balance the budget. We never had a permanent deficit until the 12 years before I became President. We have taken the deficit from $290 billion a year when I took office to $160 billion this year -- more than 40 percent reduction. (Applause.)

And I want to finish the job. We can balance the budget, and we should. But what I want to tell you is, we do not have to destroy our commitment to the education of our young people, to the training of unemployed people, to the economic future of America. (Applause.) We do not have to have dramatic increases in the health care costs of elderly people when 75 percent of them are living on less than $24,000 a year. (Applause.) We do not have to sacrifice the environmental and public health and safety protections that give us clean air, clean water and safe food. We do not have to do any of this to balance the budget.

I have given the Congress a balanced budget plan which does not do any of these things. And we certainly -- we certainly do not have to come off of our commitment to put 100,000 police officers on the street and have more and more stories like the ones I heard walking up and down Marvin Street today. We owe it to America to balance the budget and to reduce the crime rate until Americans are safe in their streets, safe in their homes, safe in their schools. (Applause.)

So I ask you: Because you are fortunate enough to live in this growing and vibrant community, because you are fortunate enough to have elected leaders that work together across party lines and know that crime is an American problem and a human problem, because you are fortunate enough to have a sheriff who has proved to you that community policing works, because you are fortunate enough to have experienced a drop in the crime rate, I ask you to join with me and say to the United States Congress, this is not about partisan politics. We are lowering the crime rate in America. If we have more jobs and lower crime, America is going to be a better place. So let's continue to do that. Let's continue to do that. (Applause.)

And let us say: Balance the budget, yes. But do it and still send us our police officers, because we want our children to have a healthy, safe, strong, drug-free, crime-free, violence-free future,

and now we know we can do it. Let's don't stop. Let's keep on until the job's done.

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

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BODY:

DEBORAH GIANOULIS (sp): Good evening. With Dwight Lauderdale, I'm Deborah Gianoulis. Through our statewide hookup, Governor **Clinton** is ready to talk to the people of Florida. And we're going to get right to it. Our first question is from Orlando. Orlando, go ahead.

Q Good evening, Governor **Clinton.** Welcome back to Florida. I'm Dr. Gene Carnell, a Southern Baptist pastor for over 25 years. Ultimately, all leaders discover that it can get very lonely at the top. And I think that's why people are not looking for professional politicians, but statesmanlike leaders, people who could tell us what we need to hear, not what we want to hear. And I think millions of Americans are vitally interested in the character of a candidate. It's a crucial issue because most people vote in presidential elections for the individual and not for the party.

My question to you is, sir, do you sincerely believe that you possess the internal integrity, the courage of your convictions, the moral fortitude necessary to make the tough, lonely, unpopular, day- by-day decisions as president just because they're right and not politically expedient?

GOV. **CLINTON:** I do. But since we're both Baptists, you will understand me when I say I don't think any person is strong enough to make those decisions alone. And I have to tell you that I thought a lot about that very question before I got into this race, and I became convinced that I had enough experience, enough ideas, enough energy, enough ability to do the job, and that if I were elected to the position, that God would give me the strength to make the decisions that I have to make at the appropriate time.

MS. GIANOULIS: Thank you, Governor. Our next question is from Miami.

Q Good evening, Governor **Clinton.** My name is Toni Taylor from Miami, and my question is, what would you do to assure participation of minority contractors in the rebuilding of South Florida?

GOV. **CLINTON:** It's very interesting that you should ask me that question, because I was just thinking about it today, not just for minorities, but for all the people who live in South Florida, the people who live not just in Homestead, but in Florida City and in the unincorporated communities as well. And it's a good question to me, because the rebuilding will not be over during President Bush's term if I'm elected in eight weeks. It's going to take some time. I think we really need to look at this not only as a duty or a job, but also an opportunity. I'd like to see a real effort to set up small businesses owned by people who live in the communities who can do a lot of the rebuilding work. I'd like to see a real effort by the Small Business Administration, the Commerce Department and others to work on trying to fund those small businesses. I'd like to see a training program for people in South Florida.

You know, now there's more work to be done than there are people to do it down there, which means that all the people who were unemployed or underemployed could be trained to do a lot of work, not only rebuilding work, but for example, young mothers might be trained to do child care work while others are out doing the rebuilding work. So I would like to make a serious effort not just to assure that there are some minority contractors involved, but that all the grassroots people in South Florida who participate in the rebuilding have an opportunity to get jobs, to start businesses and to do serious job training, and those who lost their businesses have a real opportunity to get them

recapitalized.
MS. GIANOULIS: We're going to go to Orlando for our next question. Orlando?
Q Hi, Governor **Clinton.** I'm Nancy Howell. Quayle has made an issue of Murphy Brown and Bush has made an issue of the Simpsons. Personally, I'm a fan of the Andy Griffith Show. He, too, was a single parent, and that show stood for strong family values. Now, we could go on discussing all this, but the bottom line is, why do you feel the Republicans are -- (inaudible) -- to make fictional families, television families, an issue when it's basically a non-issue in comparison to health care, jobs, the economy, the environment and so forth?
GOV. **CLINTON:** Well, I'm not the best person to ask because I'm somewhat cynical about it, obviously. I think, first of all, the Republicans know that Americans are genuinely concerned about their children and the strength of their families, and it's a difficult world to live in and there are a lot of things that occur in this world that violate the values of most people. And they know that if values can be made an issue, and a wedge issue, then their argument is that they have them and that Al Gore and I and our party don't, that maybe they can get some votes.
I think the other thing is, they don't want to talk about the economy, because the record of the last four years is the worst record in 50 years. So that's a way to get people's attention off of it. Now, having said that, I think we should be concerned about how we can help people do right by their children and keep their families together; a growing economy; support for single parents who are raising their children; support for children. These things are legitimate issues that we ought to discuss. But if you want to run on family values and be president, you ought to talk about how you're going to help other people with their family problems, which is what I've tried to do.
MR. LAUDERDALE: Governor, our next question comes from here in **Jacksonville.**
Q Good evening, Governor. My name is Steven Wilson. I live here in **Jacksonville.** The Republicans, at their convention in Houston, talked a lot about being the party of inclusion. As a gay male, I am very much excluded from many things in this country, not the least of which was I am indeed a 12-year Navy veteran who was discharged due to homosexuality. I know you've stated your position on that issue. Have you given any consideration to re-entry of those of us who were unjustly discharged over the years?
GOV. **CLINTON:** My own view on that is that simple status alone should not be enough for excluding somebody from the military. We spent $500 million in tax money in the last 10 years to get about 16,300 homosexual men and women out of the military in the absence of any proof that they'd done any thing wrong, that there was any behavior that was objectionable. So my position would be that behavior alone should not be enough and that people should be considered for re-entry on a case-by-case basis.
MS. GIANOULIS: We have a question, Governor, from Tampa.
Q Hi, Governor **Clinton.** My name is Kirstie Novelli (ph) and I have been recently laid off from a major corporation due to cutbacks and right-sizing. What are your plans to stimulate the economy and job market? And do your plans include any tax increases in the American public?
GOV. **CLINTON:** Well, first, I think we have to look at what's happened to the American economy. Why has it slowed down? And we have to be candid. It's been slowing down in some ways for well over 10 years. Starting nearly 20 years ago, America began to have real difficulty growing its economy as fast as Germany and Japan and other countries. Then 12 years ago, when Mr. Reagan was elected, when we had very tough times with inflation, largely because of oil prices, he brought in this whole theory of trickle-down economics, so that the governing theory of the present administration is, the way you create economic growth is to keep taxes as low as possible on the wealthiest Americans and get out of the way, so that over the last 12 years, taxes have been lowered on upper-income people while they've been raised on middle-class people.
Now, if you look at it, what's happened is, our incomes have continued to go down, people have continued to work harder, and unemployment is going up. That's because we don't do what works in the modern world. What works is, if you look at Germany, you look at Japan, you look at these other countries, what works is a strategy to increase investment in your own country in high-wage, high-skill jobs, to educate and train people very, very well, to
control health care costs so that the economy can flourish and provide basic health care to everybody, and to find new opportunities to create jobs all the time.
So my strategy is -- I call it putting people first, but it basically would give businesses more incentive -- that is, tax cuts -- to start new businesses and to invest in new plant and equipment, but no more tax breaks across the board and no more tax breaks for moving jobs overseas. We would put more

money into educating and training the work force. Every dollar we cut defense, we would reinvest in the domestic economy and things like high-speed rail and other transportation investments; in environmental cleanup, like the work that still needs to be done around Florida Bay; in communications systems all over the country.

My tax proposal would raise taxes only on the wealthiest 2 percent of Americans, because they've gotten almost all the gains over the last 12 years in a tax cut. Middle-class people have gotten a tax increase while their incomes have gone down. So I think they should get a modest break, especially targeted to parents with little children. It's harder to raise children today than it was 20 years ago economically, and we ought to respond to that.

MS. GIANOULIS: Thank you, Governor. Miami, your question is next, please.

Q My name is Julie Ashley. I'm from West Hollywood. Governor, my question is, how would you go about addressing the problem of socialized medicine for our citizens in this country, and how do you feel about it?

GOV. **CLINTON:** Well, I'm not for socialized medicine in the sense that I don't believe that we ought to have the government tax everybody and then have all the doctors and hospitals work for the government. We do have some government-financed health care today, mostly for veterans, for members of Congress and for the president and the White House and those folks. I mean, I always get tickled when Mr. Bush attacks my health care plan since the taxpayers have been paying for his for 12 years now.

But here's what I think we ought to do. I think we ought to model a system that fits America that looks something like what they do in Hawaii now and something like what they do in Germany now, where you would give all kinds of incentives to make it easier for small businesses to cover employees that aren't covered now. And over a period of time, everybody would have to be covered either by a government program or by their employers. But first, we would take on the things that are driving health care through the roof -- high insurance costs, incredible proliferation of paper work because we have 1,500 separate health insurance companies, and the lack of basic primary and preventive care.

I've been -- in Miami, I have been in a community health clinic primarily frequented by Spanish-speaking people, mostly from the Caribbean. And I saw the work they were doing there. But the truth is that Miami, for example, has a very high rate of childhood poverty and all kinds of problems that are aggravated driving up health care costs because we don't have enough basic health clinics in cities, in schools, in work places, in the inner cities and the rural areas.

So what I would do is to provide a system that would first tackle the health care cost problem for employers as well as for the government, and second, provide basic health care to all Americans. It wouldn't be socialized medicine in the way most people use the term, but the government would take the lead in controlling health care costs and making sure everybody got some coverage. And I might say that every country, every advanced country in the world but the United States, does just that. And as a result, we spend more than anybody else, 30 percent more of our income, and we cover fewer people. We've got the worst system financially of any advanced country in the world. We have to take what's good about it -- the doctors, the nurses, the clinics -- and make it available to everybody.

MR. LAUDERDALE: Thank you, Governor. Our next question comes from **Jacksonville.**

Q Hi. I'm Kimberly Munson and I'm a mother of two, and I was wondering -- **Jacksonville** was recently dubbed the censorship capital of the United States, and I was wondering what your views are on censorship on books and music for children.

GOV. **CLINTON:** Well, I -- let me tell you what I support and what I don't support. I support the warning labels on movies, if you want to call them that -- you know, the PG, the R and the X and all that. I support what my running mate, Al Gore's wife worked for, to have the same sort of thing on records. I think that's good for parents raising children. I do not believe in censorship or book-burning or depriving educators of the right to have children read books and learn about what's in them and debate them just because they may be full of controversial ideas.

One of the things that the people who got this country off the ground wanted is the free flow of ideas, honest discussion. We have a definition of pornography, and if something's pornographic, it's illegal and it's devoid of any educational or learning content. And I have no problem with banning that. But beyond that, I think we ought to encourage the widest range of debate, of reading, of learning, of argument, in this country. That's what elections are all about -- argument. And we're not

going to grow in an uncertain time. I don't have all the answers, and neither does anyone else, unless we have people free to write and to speak and to argue.
MS. GIANOULIS: Our next --
GOV. **CLINTON:** It's good for your kids.

MS. GIANOULIS: Thank you, Governor. Our next question is from Tampa.
Q Hi, Governor **Clinton.** My name is Tanya Laring. How or will you raise the glass ceiling for women and minorities?
GOV. **CLINTON:** That's a question that's pretty close to my heart, because my wife for three years worked as head of a committee of lawyers in America to document the existence of a glass ceiling for women in the legal profession, and she worked with another committee doing the same thing for minorities. I think that the civil rights laws of the country ought to be vigorously enforced. I think also the president ought to use the bully pulpit to speak out against the denial of opportunity for women and minorities. And thirdly, and maybe most importantly, I think the president ought to set an example. I ought to give you a White House staff and a Cabinet and other federal appointments that look like America, that have a very high standard of excellence, but that reflect both women and men and people of all the races that make up this country. That's what I've tried to do at home, and that's what I'll do if you elect me on November 3rd.
MS. GIANOULIS: And we go now to Miami for our next question, Governor.
Q Governor **Clinton,** my name is Alvin Miller. I'm an employee at the Department of Veterans Affairs. I would like to know, if you're elected president, what would be your views on higher pay and better schools -- higher pay for teachers and better schools.
GOV. **CLINTON:** I support that, and I've worked very hard in my state for that. Last year our state ranked first in the country in the percentage increase in teacher pay. This year, like every other state, we're short of money, so we won't be there this year. But we did well last year. I've spent most of my time as governor for a dozen years now working with schools and in schools and working on jobs and in factories and business places. And I have a very clear idea of what I think ought to be done in American education. And we could talk about that, if you'd like. I've got a plan to make college available to all, provide two years of apprenticeship training for people who don't go on to college, to try to get more computers and other important equipment into our public schools, and to provide better opportunities for children in the early grades.
But I have to also be candid with you. Over 90 percent of the money for the public schools, including the money for teacher pay, comes from the state and the local government. Florida's got terrible problems because you have more kids coming in than you can possibly keep up with. Now, I think that the federal government can help in two ways in Florida, keeping in mind [that] most of the money, even after I leave office, will still come from the state and
local governments. We can help in two ways. Number one, when you have a big influx of immigrants because of national policy, Florida's schools and local governments should not be asked to pay a disproportionate share of that. The federal government ought to help you with that. And number two, there's been a 30 percent cut in the percentage of the federal budget going to education. And if you vote for me, one of my commitments is to restore the federal budget's contribution to our public schools to where it was 12 years ago. So I can help, but there's still got to be a lot of strong support at the grassroots level, and more importantly, at the state level for proper school funding.
MR. LAUDERDALE: Thank you, Governor. Our next question comes from **Jacksonville.**
Q Yes, Governor, my name is Dennis Russo. I'm an educator at Crown Point Elementary School here in **Jacksonville.**
GOV. **CLINTON:** Good for you.
Q But my question is about people who are working, and it takes approximately five months to receive Social Security disability benefits now if you are working and become disabled. What can you do to help somebody? I mean, if somebody becomes disabled, they wind up being out of work for five months with no income. What are they supposed to do? What can you do to help to streamline Social Security so that it works?
GOV. **CLINTON:** You know, I've been answering questions for nearly a year and you're the first person who's asked me that. If you'll permit me a personal indulgence -- I'm going to answer the question, but first of all, let me thank you for teaching in an elementary school, because we need more men teaching young children now with the changing nature of the family. My daughter had an elementary counselor who left a community college job to go back to a grade school, and I really

appreciate that.
Let me tell you -- you know how the Social Security system works. The disability program is federally funded. All the people who work in it in Florida are federal employees, but it's under the jurisdiction of the state government in the sense that every governor appoints the head of it. I have had brutal fights with Social Security disability people ever since the early 1980s, going back to 1983 over trying to restrict eligibility requirements and dragging the requirements out and all that.
I think what I should say to you is that we either ought to be able to speed up the process dramatically so it shouldn't take five months, or you ought to be able to get a preliminary determination from a doctor against which credit can be issued so you have some income stream while you're waiting for the actual check to come in, because sometimes I wondered in tough times in the '80s if it weren't just a budget deal, you know; that if you waited five months or six months, that's just that much less money you had to pay out than if you qualified everybody at three months.
But I will pledge this to you: I will look into it. I will see if there is something that can be done. A lot of people that just -- in a kind of related area, when I was down in southern Florida last week, a lot of people were asking the same sort of questions about how long it takes to process the federal disaster aid and can we assess businesses the way claims adjusters from insurance companies do it and try to speed that up. So one of the things that I'd like to do, because I've been a governor, is to spend a lot of time trying to make the federal government work better.
I'm convinced there's billions of dollars of waste and slowness and bureaucracy in the federal government and that most of the waste is not just in eliminating this program or that program; it's in managing the whole process better. And it's been a long time since anybody took a serious look at how to make things like that work right. And one of the things I've committed myself to do is to bring in a whole crew of gifted people, and I don't much care what their political party is, as long as they will help make the government work; I mean, actually make the trains run on time, you know, get the checks out and do things like that in a rapid way and reorganize these departments. So you're the first person who asked me about it. I'll make a note of it and I'll look into it if I win.
MS. GIANOULIS: Thank you so much, Governor. We have a question now from Orlando. Orlando, go ahead with your question for the Governor.
Q Good evening, Governor **Clinton.** My name is Miguel Vilafay (ph) and I've got a question that has been being (bothered?) me since you started in your career for the -- your race for president. And you say that you're going to give an incentive to the small business people, but it doesn't match my idea of incentive, because on one hand you say you give an incentive to the business people, and on the other hand you raise the taxes to the people who make $200,000 or more. That is -- they give 10 cents on this side and taking a dollar from the other side (in?) my mathematical point.
GOV. **CLINTON:** Well, let me respond to that. Most people who run small businesses make less than $200,000 a year. And if you go back over the whole history of our country, taxes are now at their lowest point by far on wealthy Americans. By contrast, in the last 12 years taxes have gone up on everybody with an income of $51,000 a year or less because the Social Security tax has been raised so much. So here we are with a $400 billion deficit, reducing investment in our future, in education and in the things that create jobs. We need to provide more incentives for new plant and equipment and more incentives for people to start new business ventures. We have to pay for it some way. The fairest way to pay for it is by having a modest tax increase, from 32 to 36 percent, on people with incomes above $200,000 a year.

Now, all those folks who reinvest the money in appropriate ways will pay lower rates. Those who don't, I think, can afford that, so that we can keep this country together and have a fair tax system. Right now most middle-class people are paying a bigger percentage of their income in taxes than a lot of upper-income people are, and it's not fair. I just want to make it fair. I don't want to soak the rich. The tax rates will still be much, much lower than they were back in 1980 or in '75 or in '70 under Republicans and Democrats alike throughout the country -- the 20th century, ever since the income tax came in, or at least since the 1930s.
MS. GIANOULIS: Our next question, Governor, is from Tampa.
Q Good evening, Governor **Clinton.** My name is Patti Lovell. I'm a vice president of a large condominium development company. Your wife has assumed a very important role in your political career and your **campaign.** Has that -- is that possibly because this is the year of the woman in politics, or have you always done things together to accomplish common goals?

GOV. **CLINTON:** Oh, we've always done things together. As a matter of fact, we were talking the other day that depending on what happens in the election, or maybe after it's over, maybe before we're too old to do it, we'd like to hang up a shingle and practice law together. When we first met in law school, we found that we had a lot of things in common, cared about a lot of the same things. When I was elected governor -- we taught on the faculty at the University of Arkansas together in the mid '70s. And when I was elected governor way back in the late '70s, Hillary headed a committee on rural health care and child health which established a new intensive care nursery at our children's hospital and which led, over a 10-year period, to a huge decline in infant mortality. Then in 1983, when we wanted to upgrade the school standards, she chaired a committee to do that. She doesn't want a position in the government; she just wants to be a voice for the children of this country, the way she has been for the people in our state. And it helps us that we're working together, and I think it's something the American people could be really proud of. I think she'll be a very popular and profoundly effective first lady if I'm elected.

MS. GIANOULIS: Our next question, Governor, is from Miami.

Q Good evening, Governor **Clinton.** My name is Kathy Lynch, and I work in AIDS education and counseling, and I have a two-part question. Given that AIDS is now the major cause of death in several regions of the US, what do you plan to do to address the need for more education, treatment and research? And then the second part: If this involves additional funding, where are you going to draw the funding from?

GOV. **CLINTON:** Let me answer both questions together, if I might. I have recommended in a budget that I put before the

American people in our plan, "Putting People First," enough money to fully fund the Ryan White Health Care Act, which would dramatically increase funding for education and treatment and research, all the things that you know about. I also want to put one person in charge of the battle against AIDS and give that person the capacity to cut across all the bureaucratic lines in the federal government. I'd like to take those two AIDS Commission reports which have been issued under Presidents Reagan and Bush, which I think have some great things in them, and implement them. But finally, because we know there's not a cure right now, I think there has to be an aggressive, aggressive education effort. I support school-based education efforts and work-based education efforts. It's gotten me in some hot water at home, but my health department director has been nationally recognized for years now because of Arkansas' efforts to combat teen pregnancy, sexually transmitted diseases, and specifically to keep our children alive by fighting AIDS through vigorous education programs in the schools. And as president, I would emphasize that, push it, and urge it on every school district in the United States of America.

MR. LAUDERDALE: **Jacksonville** --

GOV. **CLINTON:** And I thank you for your work.

MR. LAUDERDALE: Governor, **Jacksonville** has our next question.

Q I'm Officer Jerry Thomas from the **Jacksonville** Sheriff's Department. Governor, I would like to know, what has been your administration views or policies on crime and violence in the black communities of your state? And if elected, what would your administration do to assist the state and local government address these problems?

GOV. **CLINTON:** I'm glad you phrased it in the way you did, because a lot of people are not aware that much of the crime problem in the black community is black-on-black crime. It's something that is tearing the heart out of a lot of cities in this country and has done a lot of damage in my community, Little Rock, where I live. I favor a broad-based approach that I think will lower the crime rate and increase the quality of life. And let me just mention, since we have limited time, three or four things that I think should be done.

First of all, if you look at the Rodney King situation in Los Angeles and you compare that with the crime rates going down in Houston, in many parts of New York City and other places, you see that what works is having more people like you on the street. We need more police officers. Thirty years ago, we had three police officers for every serious crime reported. Today it's the reverse; three serious crimes for every police officer. In every city that's made a serious attempt to have community policing, where you have enough policemen like you on the street, working with the same neighbors, working in the communities day in and day out, the crime rate has gone down.

How can I help that? By trying to provide another 100,000 police officers for our cities over the next four years from two sources: Number one, from people who are going to be mustered out of the

military. Senator Sam Nunn, the head of the Armed Services Committee in the Senate, has recommended that we give military people, who are going to be mustered out, the right to retrain as law enforcement officers and to continue to earn military retirement while working on the streets. Number two, I recommend that we let anybody in America borrow the money to go to college and pay it back with two years of service to their country at home. And I would urge a significant percentage of those people to be police officers, to be trained in the summertime, to qualify, to certify and to do that. Then we could make those -- and the federal government would pay for that to the cities. So the cities could hire the military people for less money because they'd still be earning military retirement, and the federal government would pay for two years for the others coming in there. I think that's important.

The second thing I think we ought to do is to help to organize the entire country to give these kids something to say yes to -- summer jobs, before- and after-school employment, work with business leaders. Orlando's got a great program which I have seen where the business community comes in and works with kids in the schools and tries to help them both during the year, with tutoring, with jobs, and then in the summertime. That ought to be everywhere in the country, and the federal government ought to support that -- not fully fund it, but support it.

The next thing I think ought to be done is that when you have young people getting in trouble today, what normally happens is, the first two or three times, nothing happens to them; then they wind up going to the penitentiary, where they learn how to be real good criminals, at great cost to the rest of us. I would like to see more community-based punishment, boot camp-like facilities, where people get discipline, education, drug treatment and do community service work and get reconnected.

And the last thing I would say is that I think we ought to pass the Brady bill and at least try to stop the sales of handguns to people who have prior criminal records, drug records, or are under age.

So that's where I would begin, anyway. But let me also say that a lot of this has to be done on the community level. A lot of these things happen because people don't talk to each other across the lines of race and income and neighborhood in these communities. And one of the things that I hope I can do as president, at least, is to be a force for people dealing with one another's problems on a community-by-community basis, because that's where the crime rate has to be brought down. If you have any other ideas for me, I'd like to have them.

MS. GIANOULIS: Governor, we will be back with more questions for you from the people of Florida in just one minute.

(Commercial break.)

MR. LAUDERDALE: We are back live in **Jacksonville** with Democratic presidential candidate Bill **Clinton.** Our next question comes from Miami.

Q Hello, Governor **Clinton.** My name is Sylvia Counsel (ph) and I'm an unemployed office worker. My question is regarding the environment. Knowing that the last three secretaries of the interior have been more qualified to run the chamber of commerce, what qualifications do you feel are necessary for the next person to head the Department of the Interior under your administration? Thank you.

GOV. **CLINTON:** I think it should be someone who really understands what the natural resources of America are and someone who is committed to conserving them and nourishing them for our children and our grandchildren and generations yet to come. I think the head of the Department of the Interior and the head of the Environmental Protection Agency should be people who believe that we can actually make more money from preserving the environment if we do it in the proper way than we can from squandering it. And let me just give you one example that relates to Florida.

If you look at what's happened to the shrimping and to the rest of the fishing industry in Florida Bay in the last few years and the fact that this whole major cleanup area is somewhat, you know, up in the air now, that makes the point that I want to make. This is a big tourism state. This is a state that has a big commercial fishing potential. And preserving the quality of your water will help you more over the long run than any short-term benefits you might gain from permitting it to deteriorate.

And let me make one final point. In this state -- as we see, no matter who gets elected president, reductions in defense spending, one of the things that we ought to do is to commit ourselves to increase scientific and technological employment from those personnel in all kinds of environmental cleanup projects in ways that generate even more jobs in the commercial sector of our economy.

MR. LAUDERDALE: Thank you, Governor. Let's go to Orlando for our next question. Orlando, go ahead.

Q Hello, Governor **Clinton.** My name is Bob Hilton, and my question is about your plans for the space

program. Do you intend to follow the lead set by Vice President Quayle, who is currently the head of the space program, and continue to build the space station at the expense of housing for the elderly -- because that is where the funding is coming from -- or do you intend a space program that utilizes laid-off aerospace workers and existing hardware to its best ability? In short, is your space program one of space exploration or space exploitation? And could you give me some details?

GOV. **CLINTON:** You already answered the question for me. How can I give any other answer? Let me say that I have a daughter whom I love very much who wants to build space stations in the skies when she grows up. So Senator Gore and I have both been long-time supporters of the space program. I do not believe -- and I think, by the way, it is a very important source of constructive employment for scientists and engineers who have been displaced in other forms of defense spending. And that's how I think the thing ought to be funded. I do not believe that we should be forced to choose between space and housing.

One of the things that I really disagree with this administration on is the fact that we've essentially had no serious housing initiatives for 12 years. And Jack Kemp, the Secretary of Housing & Urban Development, someone who has a lot of ideas I fully agree with, would have to admit that he hasn't gotten the support for his ideas that he needed. So we need some new housing initiatives. And let me just give you one specific example. Most cities have really learned how to make the most out of the housing dollars that they have, working with community non-profits, local banks and local developers.

What I'd like to do, instead of starting a new big federal housing bureacracy, is to take more money and just give it to these areas to be spent only on housing and only when there are partnerships with other community resources. And we ought to start by looking at all the property the government owns now that's been boarded up. You've got cities in this country where people are sleeping on the street, and a block away there are houses boarded up that belong to the government. We ought to get rid of all that property, give it back to the cities for people that can use it, and put people to work rehabilitating it, but not at the expense of the space program. It's good for America if we have the right kind of space program, and it will employ a lot of our scientists and engineers that we may need for all kinds of reasons we can't even imagine in the future.

MR. LAUDERDALE: Thank you, Governor. Let's go to Tampa for our next question.

Q Hello, Governor **Clinton.** My name is Sylvia Knight. I am a licensed nurse here in Pinellas County. I would like to know what you intend to do about the rising health care prices.

GOV. **CLINTON:** I intend to offer, within the first 100 days of taking office, a comprehensive health care plan that will, over a period of a few years, not only bring health costs in line with inflation, but provide a basic system of health care to all

Americans. I think it's important to know why we're spending more than any other country in the world. Health care costs are already 30 percent more of our income than any other nation, and they're going up more rapidly. And if you look at why they are, then we can say what we're going to do about it.

Number one, we spend more on insurance than any other country in the world because we've got 1500 separate health insurance companies writing thousands of different policies. What we ought to do is to require people to be in broad-based community ratings and have a basic comprehensive policy that has to be offered to everybody at a minimum. That will simplify billing costs and administrative costs and reduce profit per person and save tens of billions of dollars.

Number two, we're spending more for drugs and on health equipment than any other country because we have health equipment more than we need in some areas because hospitals and clinics don't own it in common. We ought to move to that. And we ought to require that drug prices don't go up more than inflation unless they're experimental drugs, which is justified.

Number three, we're spending more because too many people don't have any health insurance, so they get care -- as you know, since you're a nurse -- in the emergency room. We don't do enough primary and preventive health care. So I want clinics in our cities and in our rural areas to do things like make sure pregnant women see the doctor six times and that we see people at an early stage so we can reduce the unit cost of health care. Those are the places where I would begin.

We have got to do this. Let me tell you, in spite of the fact that I have tried to be so specific with all of you in America about what I would do as president, we cannot succeed unless we can bring health costs in line with inflation. It is killing the budget. It is killing the private economy. It is ravaging America's businesses and individuals. It is, in that sense, the number one budgeting job that I'll have to do as president.

MS. GIANOULIS: Governor, we're back in **Jacksonville** for the next question.
Q Good evening, Governor **Clinton.** I'm Agnes Dixon, and I'd like to hear you views on when, how and if America should become involved in human rights abuses all over the world, whether it depends on the degree of the atrocity or whether it depends on our economic or defense advantage.
GOV. **CLINTON:** Well, I think --
Q I'm thinking specifically of Somalia at this point.
GOV. **CLINTON:** Well, I think our country was slow to get involved in Somalia, although I'm very glad that we're involved now
with the UN airlift, and I think it is absolutely the right thing to do. My own view of that is that the end of the Cold War, the absence of the Soviet threat, gives us the opportunity and imposes on us the responsibility to be a consistent advocate for human rights the world over. I thought we were way too weak in response to the crushing of the students in Tiananmen Square; very, very slow to try to stop prison labor production from coming into this country from China. I think we have been uneven in our response to human rights abuses throughout the world.
There are limits to what we can do, and wherever we can, we should be working through the United Nations. But I think we have to be a consistent advocate for human rights, for freedom, for independence, throughout the world. I am terribly upset about the recent shootings in South Africa, and I think all Americans should be. Anybody who saw that on television would have been just sickened by it. And we don't have the ability to control everyone's conduct throughout the world, and that's probably a good thing. But we have to try to influence the march toward humanity.
And let me just make it clear what I meant. It used to be we were so worried about whether Russia was or was not gaining the upper hand, the Soviet Union, in some part of the world, we would make deals with people that we really didn't like or approve of because they were helping us bolster our position against the Soviet Union. Now that we are essentially the only military superpower, we just need -- I can't tell you what I would do in every specific instance. I can just tell you that I think we need to be more consistently forceful in trying to bring basic humanity and decency to people all around the world.
MR. LAUDERDALE: Thank you, Governor. Our next question comes from Orlando.
Q Hello, President -- Governor **Clinton.** (Laughter.) Theodore Roosevelt was 42 and John Kennedy was only 43 when they assumed the presidency. What has prepared you to become president at the relatively young age of 46? And do you feel you lack in the area of foreign affairs?
GOV. **CLINTON:** It's interesting. When I turned 46 -- let me tell you one funny thing. A friend of mine who's 46 in Massachusetts sent me a note saying that the great Roman orator, Cicero, made the following statement: "Of this I am certain: Old age begins at 46." (Laughs.) We don't think that way anymore.
I think that the following things have prepared me for this job. First of all, I'm the longest-serving governor in America, and I served as governor during the tough years of the 1980s and the early '90s, when more and more of the economic decisions that affect people's lives were put back from the national government onto the states. I have governed in a state that is small but is very diverse, so that I have seen some of the fastest-growing businesses
and some of the poorest people in America, and everything in between. I developed, in cooperation with my private sector, a state economic strategy which was at least in part responsible for the fact that we had the fastest-growing job rate in America last year, and US News & World Report says we have the third-strongest overall economy in the country this year. And now the time has come to turn our attention to these domestic problems.
I've spent years working with other governors on education, on welfare reform, on dealing with our social problems. Any governor will not have experience in some kinds of foreign affairs. But if you've been a governor very long, you know a lot about global economic affairs, and most anybody would say that a big part of our national security, as we move toward the 21st century, involves international economics, making America strong at home so we can be stronger abroad and involved in the world.
So I believe that I have been well prepared to run. And I might say, many, many governors have been elected president without foreign affairs experience: Woodrow Wilson, Franklin Roosevelt, to name two; Ronald Reagan, to name a third. And most people believe, looking back on President Reagan's term, that his foreign policy successes will be deemed greater than his domestic record. So I believe that what you want is someone who understands where America is in the world, strong enough to make sure we're always strong, and understands how we have to move forward at this

moment in history. And I believe I do.
MR. LAUDERDALE: Governor, let's go to Tampa for the next question.
Q Hi, Governor **Clinton.** My name is Jim Williams. You've spoken a lot tonight about opportunity. I wanted to ask you how you would feel about the opportunity freezing the savings and loan assets now currently under the RTC and using them for the American people in such ways as homes for the homeless, using the Small Business Administration, making them available for the small businesses for free or low-cost rent, opening them up to the homeless and the people in the Miami-Dade area now for homeless shelters and such as that.
GOV. **CLINTON:** I don't know that I can answer your question exactly as you want it, but let me take a shot. The S&L business has been the biggest financial boondoggle this country ever went through; a huge transfer of wealth from middle-class taxpayers to upper-income depositors, and more important, to people that ripped off the S&Ls and never had to pay it back. But what these payments represent are obviously covering the depositors' losses. That will be done, by and large, by next year. Then we'll have all these resources that we own. We can sell them off, which is happening now. And we ought to sell -- those things we decide to sell off, we ought to get the best dollar we can to get the taxpayers some of that money back that they're already out. But I think one of the
things that we have to do is to look at those resources as national resources and see whether or not the government can manage them in a way that alleviates the housing problems of the country.
Let me say one other thing related to that. The Department of Housing & Urban Development, the Farmers Home Administration, to mention two, have foreclosed on a number of houses throughout this country that are lying idle, and in a lot of urban areas, federal housing projects and HUD projects are boarded up while people are sleeping homeless on the street. I think those things should be made available on a more generous basis to local governments if they will assume the responsibility to put people to work rehabilitating them so we can provide low-income housing and housing for the homeless.
MR. LAUDERDALE: Thank you, Governor. Let's go to Miami for the next question.
Q (Off mike.) My question is, if, in fact, a vacancy were to come about on the Supreme Court during your administration, do you feel some obligation to nominate another member of the minority community, be it African-American, Latins or female?
MR. LAUDERDALE: Did you understand the full question, Governor?
GOV. **CLINTON:** Sure.
MR. LAUDERDALE: Because we're having some problems hearing it.
GOV. **CLINTON:** If another vacancy were to occur on the Supreme Court, I would feel obligated to consider members of minority communities. I think the fact that there's one African-American and one woman on the Supreme Court should not disqualify others from being considered. And I strongly believe, I'll say again, that the president should set an example of, first, unwavering devotion to excellence, and second, trying to make America's public appointments look like America. So yes, I would consider women and members of different racial and ethnic minorities for a vacancy on the Supreme Court.
I don't think I should commit to that, because I don't think I should submit to any specific quotas on appointments. But let me say this: I'll be surprised, if I'm elected president, if, when I leave office, I haven't appointed far more women and members of different racial minorities -- not just African-Americans, but Hispanic-Americans, Asian-Americans and others -- to important positions in the government than any other president who ever served by far, just because that's my record at home. That's what I believe in, and that's what I think I owe America.
Keep in mind, by the year 2000, in many, many of our biggest states, a majority of the school children in this country will come
from minority races. Those children, many of them will be quite poor. They'll have difficult circumstances to grow up in. They need role models. They need shining beacons. They need a message from their country that they can make it, that they have a future. And I'm going to try to give it to them if I get elected.
MS. GIANOULIS: Thank you, Governor. **Jacksonville** has the next question.
Q Governor, my name is Steve Donahoe. George Bush has accused you of raising taxes 128 times during the 12 years you have been the governor of Arkansas. Please give us examples of the revenue measures he included as taxes. And using his own criteria, how many times has he raised taxes during the almost four years he's been in office?
GOV. **CLINTON:** Well, in the 12 years I've been governor -- because, as you know, the federal

government put a lot of things off on the states and gave us no money to deal with them; every state raised taxes. So it is fair to say that I have raised some taxes. I raised the sales tax for our schools. I'm glad I did. And our people agree. They elected me five times. And we raised the gas tax for a road program to put people to work and to build up our economy, and our people approved of that. But he included in that list raising the fines for driving while intoxicated. He included in that list a fee we put on testing cattle when we had a (bruselosis?) epidemic that was going to wipe out our whole cattle industry, and the cattlemen came to me and they said, "Please do this so we can test these cattle." He put in that list raising the fees for membership on the barbers' association because the barbers wanted to do that. I mean, it's an absurd list.

By his criteria, he's raised taxes many, many more times than I have, if you look at all the fees and everything that go through the federal Congress. But that's not the real point. The point is that my state has the second-lowest per capita tax burden in the country. As a percentage of income, we're in the bottom five. We've kept taxes low. We rank third in the country in the percentage of our budget we put into education. So we have had discipline.

If you vote for me for president, you know what my tax program is. I want to give the middle class a modest break, especially those with children. I want the upper 2 percent to pay a little more. I don't want a raise in corporate tax rates, but I want all corporations to pay what they owe under present law. I want significant new discipline in this budget. And I have a record of budgetary discipline -- cutting spending when we have to do it and keeping spending under control, but putting priorities on things that help people and the economy.

MR. LAUDERDALE: Thank you, Governor. Let's go to Tampa for the next question. Tampa, go ahead.

Q Governor **Clinton,** good evening.

GOV. **CLINTON:** Good evening, sir.

Q I'm Rudy Curioso (ph). I am the president of the Philippine-American (aggregation?) in Tampa. Governor **Clinton,** in your opinion, what do you think is the number one problem in the country today, and what do you propose to do about it?

GOV. **CLINTON:** I think the number one problem is the economy. I think that when the economy is down, it puts more stress on families. When the economy is down, there's not enough money to run our schools. When the economy is down, it makes health care even more scarce. When the economy is down, it makes racial tensions more profound. Unemployment is too high. And more importantly, more than two-thirds of the American people are working longer work weeks for less money that they were making 10 years ago.

What I propose to do is to adopt a different strategy, to encourage investment in American jobs, to transfer all defense cut money to new technologies and new high-wage jobs for the future, to launch a vigorous plan to upgrade the education and training of American children and the American work force, to control health care costs and provide basic health care for all. That is an economic plan that will get our economy going again. I do not want to become a protectionist country. I want us to increase our trade with other countries, but I want to do it on terms that are fair to America. So I will be a vigorous proponent of a growing economy. That's the president's job. And unless we do it, we won't be strong at home, and that will make us weaker abroad.

MR. LAUDERDALE: Thank you, Governor. Let's go to Orlando for the next question. Orlando, go ahead.

Q Good evening, Governor **Clinton.** I'm LaRoy (ph) Charles. I would like to know what your plans are for continued neighborhood revitalization.

GOV. **CLINTON:** Well, I talked a little about it earlier. I've already said what I thought ought to be done about the housing and about law enforcement in the neighborhoods. So let me just mention one or two other things. I think it is very important that we bring free enterprise to communities, to inner-city communities. I spent some time in Liberty City in Miami looking at some community-based efforts there to start new small businesses. I have spent a lot of time in Chicago with the South Shore Development Bank, a commercial bank that has made a good profit by loaning money to poor people in the inner-city area to start new businesses.

One of the most important recommendations that I have made in this race for president is that we establish a national network of community development banks that will work on neighborhood revitalization by loaning money to people to start new businesses in inner-city areas. If you do that, plus have a vigorous housing program, plus a program that increases the funding for basic infrastructure in our cities and education, I think we'll be well on our way. There's a lot of innovation

out there in our cities now, people doing remarkable things, but they need the resources and the systems to do it with. And one of the things we need to do is to make it possible for people to get a loan and to go into business. I'll guarantee you, all those savings and loans didn't go broke loaning money to poor folks to start new businesses in their communities.

MR. LAUDERDALE: Thank you, Governor. Let's go to Tampa for our next question. Go ahead, Tampa.

Q Good evening, Governor **Clinton.** My name is Marilyn DeKime (ph). I have heard your ideas on solving the ever-escalating national debt and wonder if you would also consider adopting many of Ross Perot's solutions in chapter two of his book, "United We Stand," his most recent book of which I believe you have a copy. Foremost, I believe, is the accountability each one of us must accept, Mr. Perot said, as private citizens and elected officials; to begin immediately to legislate laws for protection against all corruption in government. Can this be done? And will you do it, or can you do it?

GOV. **CLINTON:** I think it can be. Let me say, there are a lot of things in Perot's book, Mr. Perot's book, that I agree with. We agree there ought to be a line-item veto so the president can scratch out essentially boondoggled projects that are passed by Congress. We agree that there has to be a system to bring health care costs in line with inflation; that that's the biggest item. We agree in part on what should be done to control entitlements, although I would not tax middle-class entitlements as he would. I do think upper-income people should pay more for Medicare and should have their Social Security subject to some taxation if their incomes are over $120,000 a year. In all probability, they're getting much more back from Social Security than they paid in. But I agree with a lot of what he says.

Let's talk about corruption, because that's -- a big part of the problem in Washington is the influence of organized special interest groups on both parties. Here is what I think should be done. First of all, change the election system. Don't let a political action committee give any more than a person can give. Today they can give five times as much. Limit how much money can be spent on a race for Congress, and require people running for office to do what I'm doing with you tonight, to appear in open forums and town meetings and to be in debates with their opponents. Secondly, limit the influence of lobbyists. Every time a lobbyist shows up to testify before a congressional committee, have them make a filing on how much contribution they've given to the members of the committee. And then limit how much -- the length of time that government officials have to wait, or extend it before they can leave the government and then start lobbying the government for special favors for the people they used to regulate. I think if you started there, you'd clean up a lot of the abuses and really help open the American political system.

MR. LAUDERDALE: Governor, our next question comes from Miami. Go ahead, Miami.

Q Good evening, Governor **Clinton.** Principal with Dade County public schools, Beverly Karenbauer (ph).

GOV. **CLINTON:** Good for you.

Q I'd like to ask you, what will be your national policy on child care, and what strategies will you use to implement it?

GOV. **CLINTON:** That's a good question, principal. You know, my wife worked on that for many years. You heard me talking about that earlier. And I'm very interested in that issue because it's critical to another one of my pet projects, which is welfare reform. We're not going to move people from welfare to work until we can provide for child care needs, because that's one of the big impediments of moving people off welfare and into work today.

I basically think what we should do is to have a flexible system in which the federal government provides a combination of tax credits and monies to the states to give vouchers to working people so that they can then go to any child care center which meets appropriate state standards.

MR. LAUDERDALE: Governor, on that note --

GOV. **CLINTON:** That's what I think we ought to do.

MR. LAUDERDALE: I hate to cut you off, but there are a lot more questions, of course. We hope you heard something tonight that will help you make an informed decision come November.

MS. GIANOULIS: And we want you to know the Florida News Network has extended an invitation to President Bush for a similar town meeting.

Governor, we thank you so much.

GOV. **CLINTON:** Thanks. I can't believe it's over.

MS. GIANOULIS: I can't either.

GOV. **CLINTON:** Thank you. Thank you all very much.

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Series Title: Unemployment Rate: Jacksonville, FL MSA; NSA

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see p. 2

THE WHITE HOUSE

Office of the Press Secretary
(North Miami Beach, Florida)

For Immediate Release September 19, 1995

REMARKS BY THE PRESIDENT
TO CITIZENS OF JACKSONVILLE, FLORIDA

Jacksonville International Airport
Jacksonville, Florida

THE PRESIDENT: Thank you very much. Thank you for coming out. Thank you for waiting in the hot sun. Thank you, Governor Chiles. Thank you, Lt. Governor McKay. I thank your state's attorney for being here, and Congresswoman Corinne Brown, I thank you for being here. And it's wonderful to see all of you.

You heard Governor Chiles say that we have just been with Sheriff Glover in one of the neighborhoods here in Jacksonville. I want to say two or three things about being in this community. First of all, congratulations on your football team. I'm glad you've got one. (Applause.) And I know the season got off to a rough start. But I've had a few seasons like that; it's not over. Just stay in a good humor about it.

I also want to thank the people of Jacksonville for the dramatic contribution that you have made over so many years to the national defense of the United States -- so many people here serving in our military, supporting it, and we're very grateful to you for that. (Applause.)

And I'm sure you know that in the recent rounds of military reorganizations and base closings, Jacksonville is one of the communities in the United States that will actually gain several thousand jobs over the next few years because of the work you have done and the quality of support you have given to our military. So I thank you for that.

I want to make, if I might, just a couple of remarks, then I want to get out in the crowd and just say hello to all of you. (Applause.) I ran for President in 1991 and 1992 because I was afraid that our country was going in the wrong direction; that we had forgotten the basic values that make us strong -- our devotion to work and family and responsibility and community -- and that we were not changing to meet the demands of the 21st century.

The economy is different. You all know it. We have different challenges in holding our country together. And I made up my mind that if the people gave me a chance to serve I was going to try to get the economy going again so we could grow the middle class and shrink the under class; I would try to make the fighting of crime a major priority so we could reduce the crime rate in America and make our streets and our schools and our homes safer; I would try to change the way the government works, to be a genuine partner with people in their lives. And that's what we've been here celebrating today.

Florida is creating jobs at three times the rate it was

when I became President. We have lowered the deficit. We have increased investment. We have a plan for a balanced budget. We're moving forward economically. The crime rate is down; the murder rate is down. All across America we are proving that we can lower the rate of crime in America if we work together and put more police officers on the street under the plan that was enacted in the 1994 crime bill.

I'm proud of that. People used to tell me we will never lower the crime rate. They were wrong. We can do it and we can do it all over America. (Applause.)

We're now trying to reform the welfare system. I just want to say a word about that. I've worked with Governor Chiles on this for years. I'm all for reforming welfare if what we mean by reforming welfare is moving people from welfare to work and giving them a chance to be good parents and good workers. I am not for punishing poor children just because they were born poor. We ought to be reforming welfare in a way that liberates people. (Applause.) I'm all for having tough standards and tough requirements on people to go to school and go to work if they've got a chance to do it and to take care of their children.

So when you watch this welfare reform debate in Washington ask yourself: Is this going to produce good workers and good parents? Is this going to make families stronger and children better? That is the test.

So I want to say to all of you, now I'm going on down to south Florida and then I'm going on across the country to Colorado, and I'm going to be talking with Americans all across the country about the debate in Washington about balancing the budget. And I want to say to all of you, Florida has a lot of interest in that debate. Every American should want the budget balanced. We never had a permanent deficit until the 12 years before I became President, and we've taken that deficit from $290 billion a year down to $160 billion in just three years. I'm proud of that; we should keep doing that. (Applause.)

But we also have responsibilities. You see it here in Jacksonville. We have responsibilities to the national defense. We have responsibilities to lower the crime rate. We have responsibilities to the elderly who depend on Medicare and Medicaid for their health care. And I say to you, we can balance the budget without undermining the national defense, without cutting our commitment to put 100,000 police on the street, without cutting the number of children in Head Start and the number of young people who are getting college loans, and without burdening older people. Seventy-five percent of the people in this country who get the benefits of Medicare and Medicaid live on less than $24,000 a year. We can fix Medicare without burdening them.

That is my commitment -- fix the Medicare system. You don't have to stick it to the older people in this country who barely have enough money to live on. So let's balance the budget and do it right so we can grow the economy, reduce the crime rate, and bring this country together. That is my commitment, and I think it's yours.

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

END

ROUTING SLIP

DATE: 9/21/02
FROM: Stephanie Streett
Assistant to the President and Director of Presidential Scheduling

File Accept 9/27

Comments

SUBJECT: Interview w/ national gay & lesbian newsmagazine: The Advocate.

Kris Balderston		Joe Lockhart	✓
Elizabeth Cotham		Lisel Loy	
Samuel Berger		Capricia Marshall	
Sidney Blumenthal		Thurgood Marshall Jr.	
Chuck Brain		Minyon Moore	
Charles Burson		Bob Nash	
Mary Beth Cahill		Beth Nolan	
Maria Echaveste		John Podesta	
Terry Edmonds	✓	Steve Ricchetti	
George Frampton		Bruce Reed	
Sarah Gegenheimer	✓	Rob Rosen	
Laura Graham	✓	Rozensky/Valentino	✓
Nancy Hernreich		Kim Tilley	
Mickey Ibarra		Gene Sperling	
Ben Johnson		Carrie Street	
Joel Johnson		Karen Tramontano	
Neal Lane		Loretta Ucelli	✓
Mark Lindsay		Melanne Verveer	
Bruce Lindsey		Jennifer Palmieri	✓

SCHEDULING REQUEST 08/03/00

00 AUG 6 P6:54

___ACCEPT ___REGRET ___PENDING

TO: Stephanie Streett
Director of Scheduling

FROM: Joe Lockhart
Press Secretary

REQUEST: For the President to do an interview with the national gay and lesbian newsmagazine, *The Advocate.*

BACKGROUND: When *The Advocate* ran a survey of its readers earlier this year, trying to determine the most important event impacting the gay and lesbian community during the past decade, the results were: the election of President Clinton, the death of Matthew Shepard and the coming out of Ellen DeGeneres. With this finding in mind, *The Advocate's* editors have expressed strong interest in an interview with the President and the magazine's editor-in-Chief, Judy Wieder.

As you know, *The Advocate* interview has been cancelled a couple of times and is something we would like to do before the fall. We suggest the interview be scheduled during the President's trip to Dallas, TX for a Gay and Lesbian fundraising lunch on September 27.

The Advocate would like this interview for a piece slated to run in the October issue.

DATE: September 27, 2000

DURATION: 20-minute briefing; 30-minute interview

LOCATION: Dallas, TX

PARTICIPANTS: The President
Joe Lockhart

RECOMMENDED BY: Joe Lockhart

CONTACT: Jennifer Palmieri (6-2987)

fake needs of dems on education

Clean site / -Clean site report

Juan Ponce de Leon

by Arthur Eld

Don Juan Ponce de Leon, commonly referred to as simply, Ponce de Leon, was a Spanish conqueror and explorer. He was born around 1460 in San Tervas de Campos, Spain. Detailed information about Ponce de Leon's life is difficult to determine. However, what is not difficult to determine is that Ponce de Leon lived during an age of great discovery and excitement. Ponce de Leon took advantage of the age in which he lived and ventured on many journeys in which he discovered and explored many new and exciting worlds. Ponce de Leon is well-known claiming and naming what is now Florida, the conquering and governing of Puerto Rico and his never-ending search for the mythical Fountain of Youth.

On November 19, 1493 Ponce de Leon was one of the first Europeans to see the small island of Borinquen, the Indian name for Puerto Rico. Ponce de Leon sailed to Puetro Rico in 1506 with two hundred men to the island and found out that it had rich gold deposits. The natives in Puerto Rico were friendly and helped Ponce's men establish a port on the island. The natives also gathered gold for Ponce. In return Ponce de Leon offered the natives protection from the Catibs whom often attacked the native villages. Ponce de Leon left Puerto Rico and returned again in 1508 this time he brought with him only fifty men. On this voyage his ship went through a terrible storm that caused him to run onto the rocks on two occasions. The crew was forced to throw over much of their supplies in order to keep the ship afloat. After Ponce de Leon finally arrived in Puerto Rico he became the governor of the island. Ponce found lots of gold on the island and became a wealthy man

In 1511 King Ferdinand ordered Ponce de Leon replaced as governor by Diego Columbus. Life for Ponce de Leon would have been difficult if he stayed in Puerto Rico since much of his power over the island was taken when he was replaced as governor. It was at this time that Ponce de Leon began his search for the Fountain of Youth. The specific reasons for Ponce de Leon search for the Fountain of Youth are unknown. However, many historians feel it was not only to discover the age restorative waters, but also for the gold and silver that was supposed to be at the sight of the fountain. Ponce de Leon explored many regions in his search for the Fountain of Youth, including the Bahamas and Bimini.

It was during Ponce de Leon's search for the Fountain of Youth that he came to a land that he eventually named, La Florida, meaning "land of flowers". He made two visits to this new land. On his first visit the native inhabitants were friendly to Ponce de Leon and his men. It is believed that this meeting was in the area of Florida now known as St. Augustine. However, on his second visit in which Ponce de Leon was intending to colonize Florida, the Indians were hostile. At this time Ponce de Leon was on the west coast of what is now known as Sanibel Island. A battle ensued and Ponce de Leon was shot in the stomach with a poison arrow. Ponce de Leon's men were able to transport Ponce de Leon to Cuba for recovery. Unfortunately, Ponce de Leon did not recover and eventually died from his wounds.

Ponce de Leon was a great explorer of his time. During his conquering of Puerto Rico, search for the Fountain of Youth, and claiming of Florida he always kept a goal in mind. For this reason for this reason he should be remembered as a great man, for his epitaph the poet and historian by the name of Juan de Castellanos wrote, "Here lies the bones of a Lion/mightier in deeds than in name."

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Juan Ponce de Leon New York, New York. Chelsea House Publishers, 1995.

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Ponce de Leon

[Up]

Juan Ponce de Leon

Born: 1460 | **Died: 1521**

Spanish Explorer

Major Accomplishment

He was the first European to explore Florida, searching for the Fountain of Youth.

Early Life

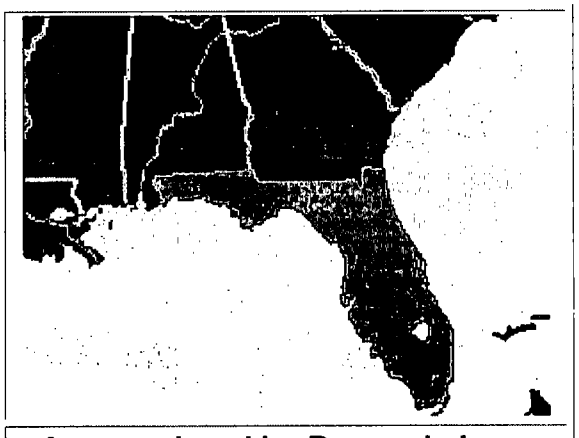
Juan Ponce de Leon was born in Tierra de Campos Palencia, Spain. As a boy he was hired to deliver messages in royal court. Later he served in many military campaigns against the Muslims until 1492 when they were driven out of Spain. After sailing with Christopher Columbus on his second voyage to the New World in 1493, Ponce de Leon remained in Santo Domingo, an island south of Florida.

In Search of the Fountain of Youth

As a reward for his service to Spain, Ponce de Leon was given the right to find Bimini, one of the islands in the Bahamas. The "Fountain of Youth" was supposed to be in Bimini. Legend has it that anyone who drank from the fountain would never grow old. Ponce de Leon organized an expedition to find the fountain in March of 1513. He landed near the site of what is now St. Augustine, Florida. He didn't realize he landed in North America. He thought he had landed on an island. He named it Florida because he saw lots of flowers (florida in Spanish means flowery). He was the first European to explorer Florida and he didn't know it! The next day he claimed the land in the name of the King of Spain. Ponce de Leon sailed through the Florida Keys to Cuba and found nothing. Having no luck they turned back and sailed to Spain.

Second Search for the Fountain of Youth

Five years after returning to Spain, Ponce de Leon sailed back on another voyage to Bimini in February of 1521with 2 ships and 200 men. They landed on the west coast of Florida. When they went ashore, they were met by a large group of Native Americans shooting arrows at them. An arrow hit Ponce De Leon. He was taken back to the ship and brought to Cuba. He died in July of 1521 from his wounds.



Area explored by Ponce de Leon

Return to the Spanish Explorers Page

Go to Explorers Timeline

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Who Goes There: European Exploration of the New World
Bartlett Elementary School 2000

Public Papers of the Presidents

Public Papers of the Presidents

July 22, 1999

CITE: 35 Weekly Comp. Pres. Doc. 1453

LENGTH: 8868 words

HEADLINE: Remarks in a Conversation on Medicare in Lansing, Michigan

BODY:

The President. Thank you, and good morning. I would like to begin by saying I am honored to be here. I thank all of you for coming. Somebody fell out of the chair -- are you all right? [*Laughter*] I wish I had a nickel for every time I've done that. [*Laughter*] You okay now? Good.

Well, this is appropriate. I want to thank your attorney general, Jennifer Granholm, for joining us; and Mayor Hollister, the State legislators, county commissioners, and city council members who are here. And I thank President Anderson of the Lansing Community College for making me feel so welcome here.

I love community colleges, and I'm going to go visit with some of the students after I finish here, and I'm going to tell them they should also be for this. The younger they are the more strongly they should feel about this, what we're trying to do here.

I would like to thank our sponsors today, the National Committee to Preserve Social Security and Medicare -- the president Martha McSteen; the executive vice president, Max Richtman, are here. I thank the National Council of Senior Citizens and their executive director, Steve Protulis, who is here. The Older Women's League National Board president, Betty Lee Ongley; Judith Lee of the Older Women's League; John D'Agistino of the Michigan State Council of Senior Citizens.

I'd also like to thank in her absence your Congresswoman, Debbie Stabenow, who was going to come with me today, but they're voting on an issue which is very critical to whether we can do what I hope to do with Medicare. But she has been a wonderful supporter of our efforts to preserve Medicare and to add the prescription drug benefit. And I know she did a study here in this district on seniors' prescription drug options and cost, and some of you may have been responsible for the position she is now taking in Washington. But I am very, very grateful for it. And I know Debbie's mother, Ann Greer, is here. So I thank her for coming.

And let me say to all of you -- and I want to thank Jane for doing this. You know, I met her about 3 minutes ago, and I -- she's got to come out here with me and do this program. And I think the odds are she'll do better than I will. [*Laughter*] So I'm not worried.

Let me say, today I want to have this opportunity to talk with all of you -- we have people of all ages here -- about the great national debate going on not only in Washington but in our country, a debate that we never thought we'd be having. You know, I came to Lansing first when I was running for President in 1992, and the people of Michigan have been very good to me and to Hillary and to Vice President and Mrs. Gore. I'm very grateful for that.

But it occurred to me if I had come here in '92, and I'd say, "I want you to support me because if you do we've got a $ 290 billion deficit today, but I'll be back here in 6 years and we'll talk about what to do with the surplus." Now, I think it's fair to say that if I had said that people would have said, "He seems like a nice young man, but he's terribly out of touch" -- [*laughter*] -- "he doesn't have any idea what he's talking about. This guy is too far gone to have this job." But that's what we're doing here.

Six and a half years ago Michigan's unemployment rate was 7.4 percent. Today it's 3.8 percent. We've gone from a $ 209 billion deficit to a $ 99 billion surplus. And we have done it with a strategy that focused on cutting the deficit, balancing the budget, eliminating unnecessary spending, but continuing to invest in education and training. For example, we've almost doubled our investment in education and training in the last 6 years while we have cut hundreds of programs and reduced the size of the Federal Government to its smallest point since 1962, when President Kennedy was in office. So I think that's very important. And the tax relief which has been given in the last 6 years is focused on families and education.

I asked the president of this college when I came in, I asked him what the tuition was, because now our HOPE scholarship tax credit gives a $ 1,500-a-year tax credit to virtually all the students in our country. And that makes community college free, or nearly free, to virtually all the students in community colleges in our country. It's an important thing.

But we've worked hard, and the American people have worked hard. Now we have the longest peacetime expansion in history, with 19 million new jobs. We have the lowest minority unemployment rates ever recorded. And we have to ask ourselves, we've worked very hard as a country for this; what are we going to do with it? And I have argued that, at a minimum, we ought to meet our biggest challenges -- the aging of America, the obligation to keep the economy going, and the obligation to educate and prepare our children for the 21st century.

Today we're going to talk primarily about the aging of America and Medicare. But I want to emphasize what a challenge that is. The number of people over 65 will double between now and the year 2030 -- will double. The fastest-growing group of people in the United States in percentage terms are people over 80. Any American today who lives to be 65 has a life expectancy of about 82.

Children being born today, when you take into account all of the things that can happen -- illness, accident, crime, everything -- have a life expectancy of 77 from birth now. We expect to unlock the genetic code with the Human Genome Project in the next 3 to 4 years, and it then will become normal for a young mother taking a baby home from the hospital to have a genetic map of that baby's body, which will be a predictor of that baby's future health. It will be troubling in some ways. It will say, well, this young baby girl has a strong predisposition to breast cancer. But it will enable you to get treatment, to follow a diet, to do other things which will minimize those risks; will say, this young boy is highly likely to have heart disease at an earlier-than-normal time, but it will enable us to prepare our children from birth to avert those problems. So this is a very important thing.

The first thing I want to say to all of you and those of you who are in the senior citizens' groups will identify with this -- this is a high-class problem we have. This is a problem, the aging of America, that is a high-class problem. It means we're **living longer** and better. I wish all of our problems were like this. It has such -- a sort of a happy aspect to them.

But it does mean that there will be new challenges for our country, and it means, among other things, that we'll have, percentage-wise, relatively fewer people working and more people drawing Social Security and Medicare.

When you look at the Social Security system, it's slated to run out of money in about 34, 35 years. It ought to have a much longer life expectancy than that. Everybody -- it's fine for the next 35 years, but I've offered a plan to increase the life of the Social Security Trust Fund for at least 54 years and to go further if the Congress will go with me.

I have offered a plan to increase -- when I became President, the Medicare Trust Fund was slated to go broke this year. And we took some very tough actions in 1993 and again in 1997 to lengthen the life of the Trust Fund -- actions which, I might add, most hospitals with significant Medicare caseloads and teaching hospitals which deal with a lot of poor folks believe went far too far. And we're going to have to give some money back to those hospitals in Michigan and throughout the country. But we now have 15 years on the life of the Medicare Trust Fund. Under my proposal, we would take it out to 2027, and that will give plenty of time for future Congresses and Presidents to

Public Papers of the Presidents

Public Papers of the Presidents

September 8, 1999

CITE: 35 Weekly Comp. Pres. Doc. 1705

LENGTH: 3131 words

HEADLINE: Remarks on Health Care Legislative Priorities

BODY:

Thank you very much. Dr. Copeland; Mrs. Copeland; Secretary Shalala, thank you for your outstanding leadership; Surgeon General Satcher; OPM Director Lachance; to all the advocates here for seniors, for children, for people with disabilities; representatives of the various health care organizations.

I am of the opinion that there's really not much left for me to say. [*Laughter*] You know, since I've been in this office and this wonderful old house, I've tried to use this room as sort of a classroom for America, to bring people here who actually have firsthand experience of the challenges we face, the opportunities we have, and to try to provide them this microphone and these cameras and this bully pulpit to speak to America and to bring more of America here to Washington, DC.

We've had a lot of very moving events here, but Dr. Copeland, I don't think anybody has ever done a better job of bringing the reality of what it's like to deal with the health care challenges of ordinary people from all walks of life on a daily basis as you have today. And I thank you very much for that.

Secretary Shalala talked quite a bit about the record we have worked hard to establish here on health care issues. I want to thank two people who aren't here today: first, my wife, because of the role Hillary played in extending health insurance coverage to 5 million children, and now we have all the States signed up for the Children's Health Insurance Program; and I want to thank the Vice President for the critical role he has played in fighting for the Patients' Bill of Rights, for our long-term care tax credit, for our plan to strengthen Medicare and to include prescription drug coverage. And I appreciated the agenda he set out yesterday for expanding affordable health care to children and families who don't have it in the 21st century, something that I still believe needs to be done.

You know, I heard quite a bit about Dr. Copeland before he came here, and one of the things I heard is that his youngest daughter, who just started college a week ago, is such a good student, she's already been guaranteed admission to medical school. If somebody had figured out a way for me to get around organic chemistry, I might have had a different career. [*Laughter*] That's a wonderful achievement.

But the truth is, there are doctors all across our country today who having given their lives to the health of their patients, have genuine reservations about whether their children should go into medicine. They feel that for all the miracles of modern medicine, doctors are too often hamstrung by accountants, and too often the needs of their patients don't come first. You just heard a pretty good accounting.

I know that you, Doctor, are overjoyed that your own child wants to be a doctor, because you know that we have the power to do what it takes to put patients first again, which means you have faith in the health of our political system.

There are a lot of pessimists who think that nothing's going to happen here this fall, that the parties are just going to fight and maneuver and get ready for next year. I think they're wrong. For one thing, ever since we've had this divided Government, we normally have to wait until the 11th hour

for really good things to happen. I've grown used to it. As I said a couple of days ago, it is now 10:30; we're ready for the 11th hour. [*Laughter*]

But after years of debate and genuine disagreement on a lot of these issues, I think a new and increasingly bipartisan consensus is emerging on the importance of giving patients the health and privacy protections they need, on strengthening and modernizing Medicare, on saving teenagers from the ravages from tobacco, on expanding health care coverage for uninsured children, and empowering adults with disabilities and making long-term care more affordable. But this growing bipartisan consensus will amount to little if the Republican leadership refuses to schedule a vote on the health care legislation. If they permit the votes, this fall could be one of the most important ones for health care reform in many, many years. If there is nothing but delay, it's just like delaying a patient; it will only make the cure harder. Sooner or later, we're going to have to face up to all these issues. We ought to do it sooner rather than later. It's a simple choice, familiar to every doctor -- act early, prevent problems; or act later, at greater cost, with more heartbreak and human loss.

The American people are counting on all their leaders, of both parties, to take the wise former course. First and foremost, the Republican leaders must make the responsible choice to protect 160 million Americans who rely on managed care, with a strong and enforceable Patients' Bill of Rights. In August Representatives Dingell and Norwood introduced a bipartisan bill that rejects the wholly inadequate, watered-down approach taken by the Senate. It now has a clear majority support in the House of Representatives. That means both Republicans and Democrats are for it.

The Republican leaders, therefore, owe it to the American people to schedule a vote on this bill. They must not give in to pressure to tack on extraneous provisions that would jeopardize the remarkable bipartisan consensus, in the hope that they can make it so bad that I will have to veto it, and then claim it's not their responsibility after all.

The American people deserve the right to see a specialist. They deserve the right to go to the nearest emergency room if they're hurt in an accident. They deserve the right to maintain the same doctor during pregnancy or chemotherapy treatment. They deserve the right to an internal and an external review process; the right to know that their doctor can openly discuss the best treatment options, not just the cheapest; the right to hold health plans accountable for bad decisions.

More than 200 health care and consumer organizations strongly support these protections. Estimates based on Congressional Budget Office figures show that the protections would cost no more than $ 2 a month a policy.

Now, as you all know -- all of you in this room -- I have already established these protections by Executive order for everybody under a Federal health care plan, and our costs are less than $ 1 a month a policy. Now, whether we're right, or they're right, it's a small price to pay for peace of mind and quality health care. [*Applause*] Thank you.

Second, I challenge the Republican leadership to join with me to work out a plan to strengthen and modernize Medicare for the 21st century. For more than three decades, Medicare has been a lifeline to dignified retirement. You heard what the doctor said about his own patients. But with people **living longer** and the retirement of the baby boomers approaching, the Medicare Trust Fund is scheduled to become insolvent in 2015. Now, keep in mind there will be twice as many people over 65 by 2030 as there are today.

Today, anybody that lives to be 65 has a life expectancy of 82. By then, it will be considerably higher. By then, there will only be about two people working for every one retired. We have got to do this now, when we have the funds to do so.

I've asked Congress to dedicate more than $ 300 billion of the projected surplus over the next 10 years to take the Trust Fund out past 2025. That's the longest it's been in a long, long time. But we need to do it, with the retirement of the baby boomers approaching.

I challenge Congress to introduce new mechanisms of competition, to improve quality, to control costs. I've challenged Congress to modernize Medicare by helping seniors and people with disabilities pay for prescription drugs. I have also set aside a fund to deal with the Medicare problems that we now have because of the budget decisions made in the '99 Balanced Budget Act, which have imposed severe problems on a lot of our teaching hospitals, some of our therapy services, and other problems of which many of you in this room are quite familiar.

Before the August recess, Senator Roth, the chairman of the Senate Finance Committee, committed to mark up a Medicare reform package by early October. I salute him for that. With the leadership of Senator Roth and Senator Moynihan, we can get a bipartisan consensus on what to do about Medicare. I don't expect them to agree with everything I want to do. What I want them to do is sit down and talk with me and let's agree on the objectives. We have to lengthen the life of the Trust Fund. It is irresponsible for us to leave here with the Trust Fund scheduled to go out of money in 2015, with this projected surplus. It is irresponsible for us to leave here without dealing with the plain problems being faced today because of Medicare financing difficulties. And I strongly believe it is irresponsible for us to leave here without providing for some prescription drug coverage.

If we were designing Medicare today, there's no way in the wide world we'd have a Medicare program without some prescription drug coverage. And you know as well as I do that these medicines are going to do more and more and more, if properly taken, to lengthen the life and improve the quality of life, of people, and eventually to cut the cost of hospitalization and other more extensive interventions. So we ought to do this now. This should not wait 2 more years. We should do it now. [*Applause*] Thank you.

The third thing I ask the Republican leadership to join me on is to make a responsible choice to protect the sanctity of medical records. You know, to the average person, this seems like a no-brainer, a lay-down. It's actually quite a hot issue, because there are people who do not want to protect the sanctity of medical records. But as more and more of these records are stored electronically, the threats to our privacy will only increase.

We know that protecting medical records has been a genuine priority for leaders in both parties. But the longstanding deadline for action by Congress came and went more than 2 weeks ago. If Congress does not soon pass legislation to protect patient records, I will honor the pledge I made to the American people in the State of the Union to do so through executive action. If need be, I will issue these new protections this fall. We should not delay this anymore.

But again, I don't want this to become a fight either between the executive and the legislative branch, or between the two parties. I would far rather have legislation so that the American people can look to Washington and see people in both parties saying that your medical information belongs to you and you alone. Only you can control how it is used.

The fourth challenge I want to issue to the leadership is to make sure that we make the responsible choice to allow people with disabilities to keep their health insurance when they go to work.

Now, there is huge bipartisan support for this. Last June the Senate unanimously adopted the bill, sponsored by Senators Jeffords and Kennedy, Roth and Moynihan, that would finally end the system that says to people with disabilities: If you want to go to work, you've got to give up your health insurance and, therefore, you'll have to spend more every month than you can possibly make.

Now, we have worked hard to end the disincentives that for too long kept people on welfare out of the work force. These disincentives are even more severe for people with disabilities, with serious health care problems.

I met a man in New Hampshire a few months ago who, if he had to pay his own health bills, would have had bills of $ 40,000 a year, and he desperately wanted to take a $ 28,000 job. Now, we're out the $ 40,000 anyway. Forget about the human impact on his life and his community and his family. Wouldn't you rather have the man making $ 28,000 and giving some of it back in taxes as a

productive citizen, having him out there as a role model, having people see what people can do if given the chance to live up to their God-given abilities? This is foolish. It is time to schedule a vote on the "Work Incentive Improvement Act" in the House of Representatives.

Now, the bill has 231 cosponsors in the House, so it's got bipartisan support. Now, most of you here know what the problem is. This bill costs money; under our budget rules, we have to pay for it. I gave them a way to pay for it; they don't like my way to pay for it. I say, "Okay, if you don't like my way, bring me another way." But we can't -- when a bill gets this kind of support in Congress -- and believe me, instead of 231, the number would be 400 in the House if we didn't have this dispute. They don't like the way I want to pay for it. Okay, it's a big government; there are lots of options. [*Laughter*]

But any way to pay for this within reason is better than letting one more year go by where people have to give up a precious year of their life when they could be working and being fulfilled and making a contribution to our country when it will not cost us, really, any more money.

So I say, I understand what the problem is. We'll be reasonable. We'll work with you. But we cannot walk away from this session of Congress without passing this legislation. It will change the lives of tens of thousands, hundreds of thousands of Americans, with one simple bill.

Fifth, I challenge the Republican leaders to make the responsible choice to prevent yet another generation of children from being lured into smoking and becoming addicted to it. More than 400,000 Americans each year die of smoking-related diseases. Almost 90 percent of them started smoking as teenagers. All the studies confirm that the price of cigarettes is one of the most effective ways to prevent kids from starting to smoke in the first place.

My balanced budget raises the price by 55 cents a pack. It's good health policy; it's good fiscal policy. It will help us to save the Social Security Trust Fund, and it will allow us to honor our commitments by aiding both parents and children. For these reasons, Congress should side with America's families, and not with the tobacco lobby. We don't want to let another opportunity go up in smoke.

Sixth, I challenge the Republican leaders to make the responsible choice to expand health coverage for the children of working families. Today, as I said, with the approval of the plan submitted by Washington and Wyoming, all 50 States and territories have now joined the children's health insurance initiative. Unfortunately, even with full participation from the States, there are still, literally, millions of children who are eligible for help who have not begun to receive it; and other children, like legal immigrants and foster children turning 18, who also need coverage.

Once again I ask the Congress to fully fund the initiative that I gave them to help the States provide the coverage to the kids. We did this initiative together. When we passed the bipartisan balanced budget bill it has heavy majority support from both parties in both Houses. Heavy majority support in both parties in both Houses. And this was one of the things that I think all the Members were most proud of.

Now, we've got a million and a half kids signed up, and we've appropriated money for 5 million kids. And we've simply got to do more to sign these children up. This is a modest cost for a huge return.

Seventh, I asked the Republican leaders to make the responsible choice by helping families cope with the strains of long-term care. In our balanced budget -- in the balanced budget, having nothing to do with the surplus or the tax cut or any of that, I proposed a tax credit and other initiatives aimed at helping elderly, ailing, and people with disabilities or the families who care for them to deal with the cost of long-term care. This will become a bigger and bigger challenge as America ages. People will want to make different kinds of choices based on the facts of their family situation or the facts of the problems of people needing long-term care. That's why I believe the best thing we can do for them now is to give them a tax credit. It is a good beginning, and I hope we can pass it.

Finally, I ask the leaders to join with me in choosing wisely to continue to invest in public health. I'm talking about investing to begin closing the devastating health gaps we see that Surgeon General Satcher has done so much work on in Native American, African-American, Hispanic, and other communities; investing and treating and preventing mental illness; investing in the National Institutes of Health and the Centers for Disease Control.

Now, usually, I don't give a talk with eight points -- [*laughter*] -- because I'm always -- you give a test, and people are lucky to remember four. But I felt better after the Doctor went over most of them. [*Laughter*] I felt like it was almost a prescription after he got through. This is not a laundry list. They are like eight panels of a protective umbrella for America's future. They're connected; they work together; they'll help millions of Americans weather the many changes in our health care system and the inevitable changes in their own lives.

Health care cannot be a partisan issue. It hasn't been, and it shouldn't be. I was glad to hear the Doctor say that he was referring to his Republican and Democratic patients. You know, every time I give this talk, I say that no one asks you when you show up at the doctor's office and you fill out those endless forms -- there's no box for Republican, Democrat, or independent. [*Laughter*]

And we see now in Washington a mood change that has already been out there for a long, long time in the country. You see it in the people coming over for the Patients' Bill of Rights; in the people saying, "Yes, we want to provide the opportunity for people with disabilities to go to work." You see it in the efforts we have with children's health insurance.

So I am optimistic about the future. I think the Copelands' daughter will have a good time being a doctor, just like her father did. I think we will make meaningful progress in this session. The bipartisan votes are out there. Nothing can stop it unless the votes aren't scheduled or we decide not to talk. We've got to schedule the votes, and all of you know I'm always willing to talk. [*Laughter*]

Thank you, and God bless you.

NOTE: The President spoke at 2:57 p.m. in the East Room at the White House. In his remarks, he referred to Dr. Lanny R. Copeland, president, American Academy of Family Physicians, his wife, Mica, and their daughter, Mary Anne.

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Public Papers of the Presidents

Public Papers of the Presidents

March 13, 2000

CITE: 36 Weekly Comp. Pres. Doc. 533

LENGTH: 3408 words

HEADLINE: Remarks to the Community in Cleveland

BODY:

Thank you very much. Thank you. First, I think Wanda did a pretty good job, don't you? Let's give her another hand. [*Applause*] I am delighted to be here in Cleveland. I want to thank all the people who are up here with me. Alice Katchianes, thank you for being here, and Mr. Venable, thank you for your welcome. If I could sing like that, I'd be in a different line of work. [*Laughter*] I thought that was great.

I want to thank Congressman Sherrod Brown and Congressman Dennis Kucinich, Congresswoman Stephanie Tubbs Jones, my great friend Lou Stokes, all the other officials who are here today. State Representative Jack Ford; County Commissioner Jimmy Dimora; State Senate candidate Donna McNamee, a woman I met at the dedication of the FDR Memorial, at President Roosevelt's wheelchair. I'm glad to see her here.

I want to say a special word of appreciation to Congressman Dick Gephardt for his leadership and his passionate commitment to this and so many other good causes. Without him and these other members of our caucus, we wouldn't have a prayer of passing this proposal today. And I thank him.

And I want to say, obviously, how pleased I am to be here with Donna Shalala, who is, as Dick Gephardt suggested, not only the longest serving but, by a good long stretch, the ablest and best Secretary of Health and Human Services this country has ever, ever had. And I love to see her mother, and I'm glad she made room for me at tax time. [*Laughter*] I told her, I said, "You know, when I get out of this job, I hope I need the services of a tax lawyer." [*Laughter*] Right now, it's all pretty straightforward. But that was, without a doubt, the shortest speech I ever heard a lawyer give, what she said to me. [*Laughter*] You probably doubled your business just by being here today.

I do love coming to Cleveland, and you heard Donna say that we have a lot of people in this administration from Cleveland, including my Deputy Chief of Staff, Steve Ricchetti, who is here today. But Clevelanders, they may go anywhere, but they never get it, Cleveland, out of their soul. If you go into Steve's office, there is a great photograph from the opening day of baseball at Jacobs Field in 1994. Now, I remember that because I threw out the first pitch. But Steve's got the picture on the wall because when I threw the pitch, everyone was absolutely stunned that it didn't hit the dirt -- [*Laughter*] -- and Sandy Alomar caught it. So he really got -- I'm incidental to the picture. He's got Sandy Alomar catching a ball which he was convinced would go into the dirt. I thought I did pretty well for a guy who played in the band, myself. [*Laughter*]

Let me say, this is a great time for this city and a great time for our Nation. As I said in the State of the Union Address, I hope this time will be used by our people to take on the big challenges facing America. One of those big challenges is what to do about the aging of America, which is a high-class problem. That is, we're **living longer;** we're living better. And the older I get, the more I see that as an opportunity, not a problem. But it does impose certain challenges on us.

There is also a challenge to modernize our health care systems and to do other things to increase the health care of the American people. And that's what we're here to talk about today.

But because this is my only formal opportunity to be before -- thanks to you -- before the press and,

therefore, the American people, I would like to just refer to another issue that relates to the health and safety of the American people, just briefly.

I have been fortunate enough to have the support of the Members of Congress on this stage in our efforts to drive the crime rate down, to make our streets safer, and Cleveland and every other major city in America is a safer place than it was 7 years ago. We have a 25-year low in crime, a 30-year low in the gun death rate. And I am grateful for the support I have received to put more police on the street, to have more summer school and after-school programs for young people, and to do more to keep guns out of the hands of criminals, banning the cop-killer bullets, the assault weapons ban, the Brady bill, which has kept half a million felons, fugitives, and stalkers from getting handguns.

Now, all of you know we had some tragic deaths last week. We had that 6-year-old girl killed in Michigan by a 6-year-old boy, who was a schoolmate of hers. We had terrible shootings in Memphis. And just in the last year we had that horrible incident at Columbine High School, almost a year ago, and in the year before that, lots and lots of school shootings.

Now, after Columbine, I suggested that what we ought to do is to, number one, make sure there were child safety locks on these guns; number two -- which would have made a big difference in the case of children getting the guns. Number two, make sure we ban the importation of large ammunition clips which make a mockery of the assault weapons ban because they can't be made or sold here in America, but they can be imported. Number three, close the loophole in the background check law, the Brady law, which says people can buy handguns at gun shows or urban flea markets and not have to do a background check. It's a serious problem. And fourth, I think when adults intentionally or recklessly let little kids get a hold of guns, they should have some sort of responsibility for that. And so I asked the Congress to do that.

Eight months ago, Vice President Gore broke a tie in the Senate and passed a pretty strong bill, and then a bill passed in the House that was weaker. And I asked them to get together and pass a final bill. And they never even met until last week when we got them together after this last round of horrible shootings.

And I ask all Americans to join me, because I think these things are reasonable. This won't affect anybody's right to hunt or sport shoot or anything, but it will save kids' lives.

The response we got from the National Rifle Association was to run a bunch of television ads attacking me. And yesterday morning I went on television again to talk about these measures. I'm not trying to pick a fight with anybody. I'm trying to fight for the lives of our kids. But I want you to see what we're up against whenever we try to change here.

The head of the NRA said yesterday -- I want to quote, he said that my support of these measures was all political, and he said this: "I have come to believe that Clinton needs a certain level of violence in this country. He's willing to accept a certain level of killing to further his political agenda and his Vice President, too."

Well, he could say that on television, I guess. I'd like to see him look into the eyes of little Kayla Rolland's mother and say that or the parents at Columbine or Springfield, Oregon, or Jonesboro, Arkansas, or the families of those people who were shot in Memphis.

I say that, again, to emphasize change is hard, but sooner or later, if you know you've got a problem, you either deal with it or you live with the consequences. And the older you get, the more you understand that.

We do not have -- I'm grateful that our country is a safer place than it was 7 years ago. I don't think it's safe enough. I don't think you think it's safe enough. I don't think you think it's safe enough for seniors. I don't think you think it's safe enough for little kids. And if we can do more things to keep guns away from criminals and children that don't have anything to do with the legitimate right of people to go hunting or engage in sports shooting, we ought to do it. And we ought not to engage in

this kind of political smear tactic.

Now, I feel the same way about this issue. And I want to try to explain to you what is going on now with this issue, because most people in America -- you heard Dick Gephardt talk about it -- most people in America think, well, why are we even arguing about this? Well, all health care issues are fraught with debate today. I know you're having a big debate here about hospital closures in Cleveland, and I don't know enough about the facts to get involved with it, but I'll tell you this. One of the problems we have is, there's too much uncompensated care in America.

And we're trying to -- we're trying hard, the people you see on this stage, we're trying hard to make sure every child that's eligible is enrolled in the Children's Health Insurance Program that was created in 1997. We want Congress to let their parents be insured under the same program. We want people over 55 but under 65 who aren't old enough for Medicare but have lost their insurance on the job, to be able to buy into Medicare, and we want to give them a little tax credit to do it. If we do things like this, then whatever happens in Cleveland or anyplace else will have to be determined based on the merits of the case, but at least the people who need health care will be able to know that the people who give it to them, whether it's hospitals or doctors or nurses or whoever, will be able to get reimbursed for it. And that's a very important thing. I hope you'll support us in that.

And then we come to the issue at hand. Now, what's this about, this prescription -- you all know what it's about. If we were starting -- suppose I came here today as President, and I were in my first year as President Johnson did in 1965, in the first full year after he was elected, and I told you in 1965 what he said, it would be fine. But in 2000, if I said, "Okay, I'm going to set up this health care program for senior citizens. And you can see a doctor, and we'll pay for your hospital care. But even though we could save billions of dollars a year keeping people out of hospitals and out of emergency rooms by covering the medicine, we're not going to cover medicine." If we were starting today, given all the advances in prescription drugs in the last 35 years, you would think I was nuts, wouldn't you? The only reason that prescription drugs aren't covered by Medicare is that it was started 35 years ago, when medicine was in a totally different place. That's the first thing.

The second thing I want to say is that it has really cost us a lot not to cover these seniors. And you see American seniors, for example, who live in New York or Vermont, going to take a bus trip to Canada because they can buy drugs made in America for 30 percent less, because very often the seniors, the people that are least able to pay for these drugs are paying the highest prices for them.

Now, that's why our budget has this plan. And I want to tell you exactly what we propose and what we're all up here on this stage supporting today. We want to provide with Medicare a prescription drug benefit that is optional, that is voluntary, that is accessible for all -- anybody who wants to buy into it can -- a plan that is based on price competition, not price controls. That is, we don't want to control the price, but we want to use the fact that if we're buying a lot of medicine, seniors ought to be able to get it as cheap as anybody else. And we also want it to be part of an overall plan to continue to modernize Medicare and make it more competitive. Because, I can tell you, I'm the oldest of the baby boomers, and people in my generation, we're plagued by the notion that our retirement could cause such a burden on our children, it would undermine their ability to raise our grandchildren. We don't want that.

Now, medically speaking, this is not just the right thing to do; it is the smart thing to do. As I said, we already pay for doctor and hospital benefits. But an awful lot of seniors go without prescription drugs -- and preventive screenings, I might add -- that ought to be a part of their health care. We've worked hard to put preventive screenings back into Medicare, for breast cancer, for osteoporosis, for prostate cancer. These are very, very important. But not having any prescription drug coverage is like paying a mechanic $ 4,000 to fix your engine because you wouldn't spend $ 25 to change the oil and get the filter replaced.

In recent months, I have been really encouraged because a number of Republicans have expressed an interest in joining us to do this. And we can't pass it unless some of them join us, because we don't have enough votes on our own. But so far the proposals they're making. I think, are not

adequate, and I'll explain why.

There are two different proposals basically coming out of the Republicans. Some of them propose giving a block grant to the States to help only the poorest seniors, those below the poverty line. That would leave the middle income seniors, including those that are lower middle income, just above the poverty line, to fend for themselves. And here in Ohio, 53 percent of all the seniors are middle income seniors. None of them would be covered by this plan.

In 1965, when Medicare was created, some in Congress used these very same arguments. They said, "We should only pay for hospital and medical care for the poorest seniors." They were wrong then, and they're wrong now. More than half the seniors today without any prescription drugs at all are middle class seniors. I want to say that again. More than half the seniors without any prescription drugs at all are middle class seniors. On average, middle class seniors without coverage buy 20 percent less drugs than those who have coverage, not because they're healthier but because they can't afford it. And even though they buy 20 percent less medication -- listen to this -- because they have no insurance, their out-of-pocket burden is 75 percent higher -- without insurance, 75 percent higher.

So I say, let's do this right. This is voluntary. We're not making anybody do it. But we ought to offer it to everybody who needs it. It doesn't take much, if you're a 75-year-old widow, to be above the so-called Federal poverty line. You can have a tiny little pension tacked on your Social Security, and you can be there. But if you've got, as you've just heard, $ 2,300 worth of drug bills a year -- and a lot of people have much higher -- it's a terrible problem.

Now, some other Members of Congress are proposing a tax deduction to help subsidize the cost of private Medigap insurance. If any of you own Medigap, you know what's the matter with that proposal. This proposal would benefit the wealthiest seniors without providing any help to the low and middle income seniors. And the Medigap market-place is already flawed. Today -- listen to this -- in Washington, the General Accounting Office is releasing a report that shows that Medigap drug coverage starts out expensive and then goes through the roof as seniors get older. On average, it costs about $ 164 a month for a 65-year-old to buy a Medigap plan with drug coverage, and premiums rise sharply from there.

For example, in Ohio, an 80-year-old person would pay 50 percent more than a 65-year-old person for the same coverage under Medigap. This is not a good deal, folks. We don't want to put more money into this program. It is not a good deal. Even those who offer Medigap plans say the approach wouldn't work, because it would force Medigap insurers to charge excessively high premiums for the drugs or to refuse to participate at all.

Now, there's another problem that we have in the Congress, which is that the congressional majority just last week voted on budget resolutions that together allocate nearly half a trillion dollars to tax cuts. And if we cut taxes that much, we won't be able to afford this. And we may not be able to save Social Security and Medicare and pay down the debt and have money left over to invest in the education of our children.

I'm for a tax cut, but we've got to be able to afford it. And we, first of all, have got to keep this economy going. We need to pay down the debt. We can get out of debt for the first time since 1835, within a little more than 10 years, if we just keep on this road. A lot of you never thought you'd ever see that.

We can lengthen Social Security out beyond the life of the baby boom generation. We can put 25 years on the Medicare program, which is longer than it's had in blows and blows, a long time. And we can add this prescription drug coverage. But we can't do it if the tax cut's too big, and we shouldn't do it in the wrong way and say you can only get it if you're really poor, or you can only get it if you buy into Medigap.

Now, let me tell you why this is such a big deal. The average 65-year-old in America today has a life

expectancy of 82 to 83 years. The average 65-year-old woman has a life expectancy higher than that. The fastest growing group of American seniors are those over 85. So to knowingly lock ourselves into a program that would get 50 percent more expensive as you got older and older and needed more and more medicine and had less and less money, does not make much sense. We have given them a good program. It is the right thing to do. And so I would like to ask all of you to help all of these Members of Congress on the stage and to tell the people in Washington, "Look, this is not a partisan issue." You know, a lot of people say, "We don't want to do this. This is an election year." Look, they can name this prescription drug program after Herbert Hoover, Calvin Coolidge, and Warren Harding. It's fine with me. [*Laughter*] I don't -- put some Republican's name on it. I don't care. Just do it, because it's the right thing to do for the seniors of this country.

So I would just implore you, help us pass this. Write to your United States Senators. Tell them it's not a partisan issue. Tell them what life is like. Tell them it's not right for seniors in Ohio to pay 30 to 50 percent more for medicine than seniors in Canada pay for the same medicine that's made in America in the first place. Tell them it's not right for you to need something you can't have, so you get sick, but then when you show up at the emergency room, it gets paid for.

We can afford this. Everybody in America has worked hard for it. We've got this budget in good shape. We can make a commitment to our future. If you think this is necessary now, imagine what it's going to be like when the number of seniors doubles in 30 years.

That's the last point I want to leave you with. Look how many seniors there are in Cleveland today. In 30 years, the number of people over 65 will double, and Donna Shalala and I hope to be among them. [*Laughter*] And you think about it. And then the average age in America will be well over 80.

Now, if we have to take care of all these people by waiting until they get sick and they go to the hospital, instead of worried about hospitals closing, 30 years from now you'll worry about the city going bankrupt because everybody will be in the hospital. We've got to be healthier. We've got to keep people healthy. We need to keep them playing tennis, like Lawyer Shalala there, but we also need to be able to give people medication to keep them out of the hospital and to manage people in a way that will maximize their health. This will be a huge issue.

So I implore you, this country -- this is the first time we've been in shape to do this in 35 years. We can do this now. And we can do it now and take care of the future. We can help the seniors of today and take a great burden off of tomorrow. But we need your help to do it.

Again, I implore you, talk to your Members of Congress, talk to your Senators. Tell them it's not a partisan issue; it's an American issue. It's a human issue, and it's a smart thing to do.

Thank you, and God bless you.

NOTE: The President spoke at 2:55 p.m. in the Louis Stokes Wing of the City Public Library. In his remarks, he referred to Wanda Golias, who introduced the President; Andrew Venable, Jr., director, City Public Library; former Representative Louis Stokes; Edna Shalala, mother of Secretary of Health and Human Services Donna Shalala; Sandy Alomar, Jr., catcher, Cleveland Indians; 6-year-old Kayla Rolland, who was shot and mortally wounded by a 6-year-old classmate in Mount Morris Township, MI, and her mother, Veronica McQueen; and Wayne LaPierre, executive vice president, National Rifle Association.

LANGUAGE: ENGLISH

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Source: All Sources : / . . . / : **Public Papers of the Presidents**
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President, between the candidates for Senate and the House, differences that will have real consequences for how we live together in the years ahead. And three, only the Democrats want you to know what the differences are. [*Laughter*] Now, what does that tell you about who you ought to vote for?

What do I mean by that? First, it's a big election because we have an unprecedented moment of prosperity and it's not just economics. Crime is down. Welfare is down. Teen pregnancy is down. People are working together and dealing with each other as never before. We are a more just society than we were. Child poverty is down, minority unemployment the lowest ever recorded, female unemployment the lowest in 40 years, poverty among single-parent households the lowest in 46 years. This is a more just society. And we are more full of confidence. Moreover, we have no crippling domestic crisis or foreign threat.

So it's a big election because we have a chance, because of our prosperity, to build the future of our dreams for our children. But that's not automatic. That requires that instead of taking a relaxed view and sort of wandering through the election and wandering through the next couple of years, we have to say, "Hey, we might not ever have a chance like this again. We've got to seize the big opportunities and take on the big challenges that are out there."

And there are some big ones out there. You know them in Florida, and I'll just give you two of the biggest that you experience here to a greater degree than almost any other State. Number one, we've got the largest and most diverse group of students in our schools in history, and they're not all getting a world-class education yet. Number two, we're **living longer** than ever before. If you live to be 65, your life expectancy is almost 83 now. And when all the baby boomers retire, there will only be about two people working for every one person drawing Social Security. We have to lengthen the life of Social Security. We have to lengthen the life of Medicare, and we have to add a prescription drug benefit to the Medicare program.

And I might say, nobody has worked harder or more effectively to that end than Bob Graham. And everybody in Florida ought to know it and ought to be grateful for it.

Now, there are the challenges of the future -- climate change. We worked so hard to save the Everglades. If we don't turn this global warming around, in 30 years a lot of it will be under water.

We've now sequenced the human genome. That's great. There are going to be unbelievable medical discoveries made. And pretty soon young women will bring their children home from the hospital with a little gene map, and before you know it, there are kids in this room whose children will have a life expectancy of 90 years or more when they're born. But do you think someone should be able to use your gene map to deny you a job, a promotion, a raise, or health insurance? I don't think so. We need someone in the White House and people in the Congress who understand science and technology.

The Internet revolution, people made fun of Al Gore over who invented the Internet, but he sponsored the legislation almost 20 years ago that took the Internet from being the private province of physicists and people involved in defense work to sweeping the world. And if it hadn't been for him, we wouldn't have gotten the E-rate in the telecommunications bill 4 years ago, which guarantees that every school, no matter how poor, can afford to have computers for their kids and be part of the Internet.

Now, there are big challenges out there. The outcome of this election will depend upon whether the American people believe what I just said, that it's a big election with big challenges and not a time to lay down and relax. You can just book it. When this is over, you read the election analyses in the week after the election in November, and you remember what I told you tonight. The outcome of the election will depend upon what the American people believe the election is about, number one, and number two, whether they understand the differences.

On our side, we've got people like the Vice President and people like Bill Nelson, who did more with

Public Papers of the Presidents

Public Papers of the Presidents

March 14, 2000

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HEADLINE: Remarks on Presenting the National Medals of Science and Technology

BODY:

The President. Thank you very much. Thank you. Thank you and welcome to the White House. Thank you, Secretary Daley, and thank you, Dr. Lane, for your leadership. Secretary Shalala, Dr. Colwell, Representative Nick Smith, Representative Eddie Bernice Johnson, thank you for your support of science and technology in the United States Congress, across party lines. We welcome Sir Christopher Meyer, the British Ambassador to the United States, here to be with us today.

Every year I look forward to this day. I always learn something from the work of the honorees. Some of you I know personally; others, I've read your books. Some of you, I'm still trying to grasp the implications of what it is I'm supposed to understand and don't quite yet. [*Laughter*] But this has been -- I must say, one of the great personal joys of being President for me has been the opportunity that I've had to be involved with people who are pushing the frontiers of science and technology and to study subjects that I haven't really thought seriously about since I was in my late teens. And I thank you for that.

When Congress minted America's first coin in 1792, one of the mottos was "Liberty, Parent of Science and Industry." Very few of those coins survived, but the Smithsonian has lent us one today. I actually have one. It's worth $ 300,000. [*Laughter*] Not enough to turn the head of a 25-year-old .com executive -- [*Laughter*] -- but to a President, it's real money. [*Laughter*] And I thought you might like to see it because it embodies a commitment that was deep in the consciousness of Thomas Jefferson and many of our other Founders. And we could put the same inscription on your medals today.

You have used your freedom to ask and answer some of the greatest questions of our time. Each of you has been a brilliant innovator, and more, breaking down barriers between disciplines, broadening the frontiers of knowledge, bringing the products of pure research into everyday lives of millions of people, helping to educate the next generation of inventors and innovators.

For this, America and, indeed, the entire world is in your debt. It is terribly important that we continue to open the world of science to every American. The entire store of human knowledge is now doubling every 5 years. In just the 8 years since I first presented these medals, think about what has occurred. In 1993 no one's computer had a zip drive or a Pentium chip; there were only 50 sites on the World Wide Web, amazing, January of 1993. Today, there are about 50 million. In 1993 cloning animals was still science fiction. But Dolly the sheep would be born just 4 years later. Since 1993, we've sent robots to rove on Mars, created prototype cars that get 70 to 80 miles a gallon, invented Palm Pilots that put the Internet on our belts and lead to the increasing nightmares of a busy life. [*Laughter*]

The work that you and your colleagues have done has changed everything about our lives. It has brought us to the threshold of a new scientific voyage that promises to change everything all over again.

Perhaps no science today is more compelling than the effort to decipher the human genome, the string of 3 billion letters that make up our genes. In my lifetime, we'll go from knowing almost nothing about how our genes work to enlisting genes in the struggle to prevent and cure illness. This

will be the scientific breakthrough of the century, perhaps of all time. We have a profound responsibility to ensure that the life-saving benefits of any cutting-edge research are available to all human beings.

Today, we take a major step in that direction by pledging to lead a global effort to make the raw data from DNA sequencing available to scientists everywhere to benefit people everywhere. To this end, I am pleased to announce a groundbreaking agreement between the United States and the United Kingdom, one which I reconfirmed just a few hours ago in a conversation with Prime Minister Blair and one which brings the distinguished British Ambassador here today.

This agreement says in the strongest possible terms our genome, the book in which all human life is written, belongs to every member of the human race. Already the Human Genome Project, funded by the United States and the United Kingdom, requires its grant recipients to make the sequences they discover publicly available within 24 hours. I urge all other nations, scientists, and corporations to adopt this policy and honor its spirit. We must ensure that the profits of human genome research are measured not in dollars but in the betterment of human life. [*Applause*] Thank you.

Already, we can isolate genes that cause Parkinson's disease and some forms of cancer, as well as a genetic variation that seems to protect its carriers from AIDS. Next month the Department of Energy's Joint Genome Project will complete DNA sequences for three more chromosomes whose genes play roles in more than 150 diseases, from leukemia to kidney disease to schizophrenia. And those are just the ones we know about.

What we don't know is how these genes affect the process of disease and how they might be used to prevent or to cure it. Right now, we are Benjamin Franklin with electricity and a kite, not Thomas Edison with a usable light bulb.

As we take the next step and use this information to develop therapies and medicines, private companies have a major role. By making the raw data publicly available, companies can promote competition and innovation and spur the pace of scientific advance. They need incentives to throw their top minds into expensive research ahead. They need patent protection for their discoveries and the prospect of marketing them successfully, and it is in the Government's interest to see that they get it.

But as scientists race to decipher our genetic alphabet, we need to think now about the future and see clearly that, in science and technology, the future lies in openness. We should recognize that access to the raw data and responsible use of patents and licensing is the most sensible way to build a sustainable market for genetic medicine. Above all, we should recognize that this is a fundamental challenge to our common humanity and that keeping our genetic code accessible is the right thing to do.

We should also remember that, like the Internet, supercomputers, and so many other scientific advances, our ability to read our genetic alphabet grew from decades of research that began with Government funding. Every American has an investment in unlocking the human genome, and all Americans should be proud of their investment in this and other frontiers of science.

I thank all of you for all you have done to build international and national support for American investment in science and technology. I am grateful that this administration has had the opportunity to increase our funding for civilian research every year and that we have requested an unprecedented increase this year, in areas from nanotechnology to clean energy to space exploration.

As the new century opens, we are setting out on a new voyage of discovery, not just into human cells but into the human heart. We cannot know what lies ahead. Each new discovery presents even more new questions. What is the purpose of the 97 percent of our genetic makeup whose function we don't know? What will we find in the genes left to identify? How will we make sure the benefits of genetic research are widely and fairly shared? How will we make sure that millions of Americans

living longer lives also live better and more fulfilling ones?

Almost 200 years ago, Lewis and Clark set out on a voyage of discovery that was planned in this room, where Thomas Jefferson and Meriwether Lewis laid out maps on tables, right where you're sitting and, though it would be politically incorrect today, tromped around on animal skins on the floor. [*Laughter*] That discovery would not only map the contours of our continent, but expand forever the frontier of our national imagination.

Before setting out, when Meriwether Lewis was here in the East Room with Thomas Jefferson, poring over maps and sharing the lessons in natural science, he actually lived on the south side of this room, in two small rooms that Thomas Jefferson had constructed in this big room for him. I must say today, I wish I could ask all of you to do the same. [*Laughter*] I always feel that when I do this, the wrong person is talking. I wish we could hear from all of you today.

One of the things that I wish I could do a better job of as President is sparking the interest and understanding of every single citizen in the work you do -- of everyone's ability to see how profoundly significant what goes on in your labs and in your minds is to their future. I do think the American people are coming a long way on that, and I tried to talk in the State of the Union in ways that would help. I also try to think of little ways to illustrate how you are changing our conception of the most basic things: what is big and what is small; what is long and what is short. Dr. Lane has actually given me a primer of what nanotechnology is, and I can carry on a fairly meaningful subject about something that is totally unfathomable to me. [*Laughter*]

And last year, Neil Armstrong and his colleagues came back to the White House to celebrate the 30th anniversary of his walk on the Moon. And while he did it, as a part of the ceremony, he gave me -- just on loan -- a vacuum-packed Moon rock which, if you see the photographs now of the Oval Office with the two chairs and the couches and the table in between, the Moon rock is now visible to the world that sees it.

And when Members of Congress and others come in and get all heated up and angry over some issue, I often call a time out, and I say, "Wait a minute. See that rock? It came off the Moon. It's 3.6 billion years old. We're all just passing through. Chill out." [*Laughter*] It works every time. [*Laughter*] So there's a practical gain I got from scientific advance. [*Laughter*]

There are many other things that have happened that have enriched our lives. I have to acknowledge the presence here of my good friend Stevie Wonder, who has had a lot to do with improving musical technology, and is obviously interested in some of the scientific developments now going on, which might restore sight to people and other movements to people who have suffered debilitating paralysis and other things. And we thank you, Stevie, for being here today. Thank you.

As our honorees receive their medals, we thank them; all of us thank them for the way they have changed the way we view our planet and broadened infinitely the ways we gather and store knowledge. You are part of an unbroken chain from Lewis and Jefferson to Edison and Einstein, from the cotton gin to the space shuttle, from a vaccine for polio to the mysteries of DNA. I thank each of you for what you have done to change our world and to enrich our minds, our imaginations, and our hearts.

And I think -- I learned right before I came in here that it is infinitely appropriate that you are receiving these awards on Albert Einstein's birthday. So thank you very much. Congratulations.

Commander, please read the citations.

[*At this point, Comdr. Michael M. Gilday, USN, Navy Aide to the President, read the citations, and the President presented the medals.*]

The President. Now, ladies and gentlemen, I want to just say two things in closing. First of all, we saw again today another triumph of the scientific method. After two failures, all the other honorees

Devorah R. Adler
10/03/2000 10:21:05 AM

Record Type: Record

To: Joshua S. Gottheimer/WHO/EOP@EOP

cc:
Subject: ricky ray

Hey --

Here's a quick description of where we are on Ricky Ray.

Ricky Ray Fund. The $750 million trust fund was established for the purpose of disbursing payments to persons with hemophilia who contracted HIV through the use of tainted blood products between July 1982 and July 1987. The Administration is committed to full funding for the Ricky Ray Trust Fund. Our MSR includes $570 million for Ricky Ray and supports $105 million in FY 2001.

Also, CJ talked to John -- sounds like it's just a driveby on unfinished health care priorities, including breast cancer and Ricky Ray.

Let's talk, Devorah

Devorah R. Adler
10/03/2000 09:29:31 AM

Record Type: Record

To: Joshua S. Gottheimer/WHO/EOP@EOP

cc:
Subject: information on breast cancer

Hello --

Here's a summary of the breast cancer proposal we think John is talking about.

Call with questions, and thanks, Devorah

PRESIDENT CLINTON ANNOUNCES NEW INITIATIVE TO NEW INSURANCE OPTION FOR VULNERABLE WOMEN WITH BREAST AND CERVICAL CANCER. Today, the President announced that his FY 2001 budget will invest $220 million over 5 years in a new Medicaid option that allows states to provide low income, uninsured women with access critical treatment services. It will:

- **Provide comprehensive health insurance to low income, uninsured women diagnosed with breast and cervical cancer.** States will have the option to provide the full Medicaid benefit package to uninsured women diagnosed with breast or cervical cancer through the National Breast and Cervical Cancer Early Detection Program for the duration of their treatment, eliminating financial barriers to care for these women. These women will be able to access critical health care services necessary to treat their cancer, including radiation treatment, chemotherapy, as well as other health care services, such as basic laboratory and palliative care services, in order to provide a high quality standard of care to these patients.

- **Allow women to access life saving treatment without delay.** States would also have the option to allow health care providers and other qualified entities to provide critical health care services to women pending official enrollment in Medicaid, increasing the chances of survival for these women and allowing them to focus on fighting these terrible diseases – not about how they will pay for their care.

- **Result in increased state spending on breast and cervical cancer screening programs.** Some states currently supplement the Federal funds they receive for breast and cervical cancer with their own funds for diagnosis and treatment of these diseases. Estimates by the Congressional Budget Office indicate that, under similar proposals, states would redirect these funds to supplement their investment in screening for breast and cervical cancer, resulting in a substantial increase in the number of mammograms and pap smears provided.

In this time of unprecedented prosperity, we have a golden opportunity to meet the challenges of an aging American population. Now is the time for Congress to act in the same bipartisan spirit that produced the Long-Term Care Security Act, which we celebrate today.

It has often been said that the truest measure of a society is the manner in which it raises its children, and cares for those in their twilight years. Today, in the sunshine of our prosperity, let us recommit ourselves to this ideal – that every older American might know our nation's profound gratitude, and live out their days with dignity, security, and love.

Thank you.

Public Papers of the Presidents

Public Papers of the Presidents

January 19, 2000

CITE: 36 Weekly Comp. Pres. Doc. 107

LENGTH: 2554 words

HEADLINE: Remarks on the Health Insurance Initiative and an Exchange With Reporters

BODY:

The President. Good morning, everyone. I'm glad to be joined today by Secretary Shalala, Secretary Herman, Deputy Secretary Eizenstat, and OPM Director Janice Lachance. We want to talk to you about the health care of America's families, one of the biggest challenges we face still in this new century.

Today I want to talk about two major proposals that are in my budget for 2001, which will help Americans to shoulder the cost of health care by extending coverage to millions of people who do not now have it and by helping Americans of all ages meet the demands of **long-term care.** These proposals are a significant investment in the health of Americans, another step toward giving every American access to quality health care.

As our Nation ages and we live longer lives, we face the need to provide **long-term care** to larger and larger numbers of Americans. Yesterday we put forward proposals to help Americans to face these new challenges, first by providing a $ 3,000 tax credit for the cost of **long-term care** -- that is 3 times the one I proposed in last year's State of the Union -- second, by expanding access to home-based care through Medicaid; and third, by establishing new support networks for caregivers. We shouldn't let another year go by without helping those who are doing so much to help others. And I will say again, we should also, this year, pass the Patients' Bill of Rights.

We must also keep fighting to extend affordable health care to Americans who lack it. This is a continuing problem in our Nation, as all of you know. Still there are too many children who lose their hearing because an ear infection goes untreated or wind up in the emergency room because they couldn't see a doctor in a more regular way. Too many parents skimp on their own health to provide coverage for their children; too many missed chances to prevent illness and prepare young people to lead healthy lives -- all these the products of the fact that tens of millions of Americans still don't have affordable health care.

So today I'm announcing that my budget will set aside more than $ 110 billion over 10 years to expand health care coverage. If enacted, this would be the largest investment in health coverage since the establishment of Medicare in 1965, one of the most significant steps we could take to help working families.

This proposal has four components. First, it's hard to have healthy children without healthy parents. We know parents who have access to health care themselves are more likely to get care for their children. And children who see their parents getting regular medical care learn good habits that last a lifetime. Yet, most of the parents of the children covered in our Children's Health Insurance Program, the CHIP program, are themselves uninsured.

That's why, as the Vice President has urged, I propose to allow parents to enroll in the same health insurance program that now covers their children. I thank the Vice President for this proposal. I believe it can make a difference to millions of families. You all remember that we set up the CHIP program in the 1997 Balanced Budget Act.

Second, we will work with States to reach every child now eligible for CHIP or for Medicaid. We've doubled the enrollment in the CHIP program in just the last year, as the States have really gotten up

and going and taken the right initiatives on this. We now have something over 2 million children in the program.

But still, many children are missing out. To find them, we have to take information and enrollment to where they and their parents are: in school lunch programs, in day care facilities, in centers for the homeless. Our budget will fund efforts to do just that, because there is no reason for any child in America to grow up without basic health care.

Third, we are reaching out to Americans who have few or no options for affordable insurance. The numbers of people without insurance are growing fastest among those nearing retirement, an age when many people are already on fixed income or have limited health insurance choices.

I met a woman who lost her home trying to pay medical bills on a retirement income while she was waiting to become eligible for Medicare. This shouldn't happen to anyone. I've already proposed that this group of Americans be allowed to buy into Medicare coverage, that is, those between the ages of 55 and 65. And now, this new budget will provide for them a 25-percent tax credit to help them do it.

It's also hard to keep insurance for those who change jobs or are laid off, something that happens more and more in our fast-moving economy. That's why we have the COBRA benefits, allowing workers to pay to stay enrolled in health insurance when they're laid off. But too many workers cannot pay the full costs themselves. That's why we're also proposing tax credits that will make COBRA insurance affordable to more people and help workers take advantage of job flexibility without worrying every single day that they may lose their health insurance coverage if they do so.

We will also build on public and private sector insurance programs to help cover 19-and 20-year-olds aging out of insurance, people moving from welfare to work, employees of small businesses, and legal immigrants.

Finally, we must strengthen the network of clinics, hospitals, and dedicated professionals who serve the uninsured. They care for families in need and help to provide the referrals that get children and parents into insurance programs. And their resources are stretched very thin. So I will ask Congress to make a significant investment in these public health facilities next year.

Investing in health care coverage is a smart choice for America. We're meeting our responsibilities to all our American citizens, supporting seniors, helping make our children more ready for the future. I look forward to working with Congress to seize these opportunities this year.

Again, let me say what I have said so many times: In my lifetime we have never had this much economic prosperity and social progress with the absence of paralyzing internal crisis or external threat. We have an opportunity now to really make a dent in this problem of health insurance coverage, in the problem of **long-term care,** and we ought to do it. I hope we will.

2000 Presidential Campaign

Q. Mr. President, are you happy that health care is an issue on the campaign trail? And what do you think of Bill Bradley's plan? You seem to be endorsing Gore here.

The President. His plan is more extensive than mine, too, the Vice President's is. But they're in a different position. Number one -- let me answer your first question -- I am elated that health care is an issue in the campaign. It is a good thing. It's an issue in people's lives. You can see that every time we debate a health care issue. You can see that support we got for the Children's Health Insurance Program in '97. You can see it in the enormous grassroots support for the Patients' Bill of Rights.

And just as Hillary and I predicted in 1994, when the health care proposal was defeated, we said there would be an increase in the number of uninsured people because the cost of insurance would go up and it would be harder for employers, particularly smaller business employers, particularly

smaller business employers, to continue to cover their employees. So I think that what's going on in the campaign is a great thing for America.

Both the candidates have proposed -- made proposals even more sweeping than the one I make today, even though if this were adopted, as I said, it would be the biggest expansion in health coverage since Medicare. But the reason -- they should be doing that because they're looking at what they can do over 4 years, what they can do over 8 years. This is a proposal for this year's budget, and it is a very ambitious one-year proposal that will add millions of people to the ranks of those with insurance.

It also is very important because of the $ 3,000 **long-term care** tax credit. That's something that I've been involved with, well, for more than 20 years now, something that I feel I know something about and I care a great deal about, and I believe there will be a lot of bipartisan support for that.

Go ahead, Mark [Mark Knoller, CBS Radio].

Prospects of Congressional Action

Q. What makes you think that you can get a more expansive health care program through Congress this year than you were able to get through last year?

The President. Well, for one thing, the budget picture is clearer. At least so far, the Republican leadership in the Congress has not put on the table a tax program which would make it impossible to pay the debt off and make it impossible to meet our fundamental obligations.

And I believe if you just look at what's going on in the election season this year, the public cares a lot about health care, and they're talking a lot about it. And all these people, without regard to their party, who come here in the Congress, they've been home talking to the people they represent; they've been listening to this; they know what their folks are up against; they know what kind of problems people face with **long-term care.** And I think they also, those with a lot of experience, understand how very complex this is and how difficult it is to add to the ranks of the insured in a cost-effective way. And this is clearly, based on our experience, the most cost-effective way to add people to the ranks of the insured.

Let the parents of kids in the CHIP program buy into CHIP or cover them with our funds. And let the people between the ages of 55 and 65 buy into Medicare and give them a tax credit to do so. Republicans, you know, naturally are inclined to have tax solutions to social problems, and in the case of **long-term care,** that is exactly the right thing to do. The tax credit is exactly the right way to go there, because there are so many different kinds of **long-term care** options out there that are appropriate for different families given different circumstances. So I'm actually quite hopeful that we can work together and get something done on this.

Harry and Louise

Q. Do you think Harry and Louise will support you this time?

The President. Well, I hope so. They've been acting like they want to support me. And I'd like to get together with Harry and Louise; I thought they were pretty effective last time, and we ought to be on the same side. So I'm hoping old Harry and Louise -- I wish they would come into the Oval Office here, and we could have a little press conference, a Harry and Louise press conference, endorsing this expansion of health coverage.

Q. After what they did to you?

Q. Can we cover it? [*Laughter*]

The President. You bet. I want you all to be here. It will be a crowded room if they come, but I'd love it if Harry and Louise would just sidle right on in here and say that they think this is the greatest idea

since sliced bread, and we could go forward together. And it would be great.

Israel-Syria Peace Talks

Q. Mr. President, you've spoken to President Asad. Do you have any reason to believe that the peace talks will restart soon?

The President. Well, first of all, I think it's very important that you -- I think this has been well and accurately reported, as nearly as I can tell. But I want to reiterate, neither side has decided to back away from the peace talks, call an end to them, call a freeze to them. That's not what's going on. They are having a genuine dispute about sequencing now that I'm trying to work through for both of them.

But the good news about this is that both these leaders, I think, want a peace that meets each other's needs. That is, they're both quite mindful of the fact that there won't be a peace agreement unless the legitimate concerns of both sides are met.

And I would not say the gaps in the positions are 90 percent; I'd say they're much closer to 10 percent than 90 percent. But keep in mind, these folks had not dealt with each other in a very long time. And that week they spent together at Shepherdstown was really the first time they had had these kind of direct contacts, get a feel for where they were; they wanted to go home and reassess their positions. And so we need to do some trust-building. We've got some work to do, but I'm actually quite hopeful.

And I see that both sides have continued to evidence a fairly high level of confidence that they can succeed, and that's good news. So we're in a little patch here where I've just got a little extra work to do, and I'm working at it. And hopefully, we can do it.

Q. [*Inaudible*] -- Asad today or yesterday?

The President. Yes, I talked to President Asad, I think yesterday, wasn't it?

Q. But since then --

The President. No, not since yesterday morning. But I'll be in regular contact with him continuously. So we're working this very, very hard. And of course, we're also working on the Palestinian track, and tomorrow Chairman Arafat will be here, and I expect to have a good meeting with him. You know, if this were easy, it would have been done a long time ago. But we're working at it, and I'm pretty hopeful.

President's Last Year in Office

Q. Are you mournful that tomorrow is the last -- the start of your last year in office, sir?

The President. Yes, tomorrow is the day, isn't it?

Q. Yes.

The President. Well, I will certainly mark the day.

Q. In what way?

The President. I mean, I'll just be conscious of it, in all kinds of little ways. When I go in a room in the White House now, I look around more carefully to make sure there's something -- that I've actually noticed something that I may not have seen. You'd be amazed when you're living a busy life, and you're working really hard -- I bet it happens to you, too -- how many times you walk in and out of a room, and you'll see something in a room that, you've been in the room for 5 years, and you never noticed before. So I'm sensitive to all that.

But I'm actually very -- I'm so grateful that the country is in the shape that it's in. And I'm so grateful that I've had the chance to serve. And I'm so energized about the State of the Union and, in many ways, in the sweep and depth of the proposals that I will make to the Congress and the country in the State of the Union are arguably the most far-reaching since the very first one I made. So I'm feeling good and grateful, and I just want to milk every last moment of every day.

The only thing. I wish I didn't have to sleep at all for a year. [*Laughter*] I wish that God would give the capacity to function for a year without sleep. That would make me very happy. [*Laughter*] But I think it highly unlikely. Therefore, I will keep trying to get some.

Thank you.

NOTE: The President spoke at 11:50 a.m. in the Oval Office at the White House. In his remarks, he referred to Harry and Louise, characters in Health Insurance Association of America-sponsored television advertisements in opposition to the 1993 "Health Security Act"; President Hafiz al-Asad of Syria; and Chairman Yasser Arafat of the Palestinian Authority.

LANGUAGE: ENGLISH

LOAD-DATE: March 2, 2000

Fifth, I challenge the Republican leaders to make the responsible choice to prevent yet another generation of children from being lured into smoking. More than 400,000 Americans die each year from smoking-related diseases and almost 90 percent of them started smoking as teenagers. Numerous studies confirm that raising the price of cigarettes is one of the most effective ways to prevent kids from starting to smoke. So my balanced budget raises the price of cigarettes by 55 cents a pack.

Raising the price of cigarettes is not only good health policy; it's good fiscal policy. For even as it helps to save lives, it will help to save the Social Security trust fund – and allow us to honor our abiding commitments to our parents and our children. For both these reasons, Congress should side with America's families and not the tobacco lobby. We cannot allow yet another opportunity to save lives go up in smoke.

Sixth, I challenge the Republican leaders to make the responsible choice to expand health coverage for the children of working families. Two years ago, as part of our historic balanced budget agreement, Members of both parties worked together to set aside the resources so states can cover as many as five million new children. Today, I am proud to announce that we have just approved children's health plans submitted by Washington and Wyoming – and now every state has joined this initiative.

Unfortunately, even with full participation from the states, there are still millions of children who are eligible for help who have not yet received it. So today, I call on Congress, once again, to fully fund my plan to help the states enroll all eligible children. We started this wonderful initiative together. Now let's make it work together.

Seventh, I challenge the Republican leaders to make the responsible choice to help families coping with the strains and expenses of long-term care. In my balanced budget, I proposed a tax credit for the elderly, ailing, and people with disabilities, or the families who care for them. We all know that long-term care will become a bigger and bigger challenge as America ages. Republican leaders must make long-term care a part of any tax cut they pass this fall.

Finally, I challenge the Republican leaders to make the responsible choice to invest wisely in public health. I'm talking about investing to begin closing the devastating health gaps we see in Native American, African-American, Hispanic, and other communities. I'm talking about investing in treating and preventing mental illness. I'm talking about investing in the National Institutes of Health and Centers for Disease Control.

This list of priorities is ambitious – but it is realistic. And it is no mere laundry list. These priorities are like eight panels of a protective umbrella – they're connected, they work together, and as a unit they can help millions of Americans weather the many changes in our health care system.

Out in America, health care has never been a partisan issue – and it should not be made into one now. When you show up at an emergency room, no one wants to know whether you're a Republican or a Democrat. Even in Washington, we're now seeing the mood change. We're seeing that the new consensus for change in our health care system is building by the day.

So I share Dr. Copeland's optimism for the future his daughter will inherit when she becomes a

doctor. And I believe we will make meaningful progress toward that future this year. The bipartisan votes are there on so many of the priorities that matter to our families. Now, we just need the majority leaders to heed the will of the growing majority in Congress. We need them to make the same commitment to bipartisan progress that their own members are making. We need them to see this time of prosperity for what it truly is – a remarkable opportunity to cure our health care system for the long term. We must seize this opportunity together. Thank you and God bless you.

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Conclusion

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Remarks on Health Care Legislative Priorities,
September 8, 1999

Thank you very much. Dr. Copeland; Mrs. Copeland; Secretary Shalala, thank you for your outstanding leadership; Surgeon General Satcher; OPM Director Lachance; to all the advocates here for seniors, for children, for people with disabilities; representatives of the various health care organizations.

I am of the opinion that there's really not much left for me to say. [Laughter] You know, since I've been in this office and this [p.1706] wonderful old house, I've tried to use this room as sort of a classroom for America, to bring people here who actually have firsthand experience of the challenges we face, the opportunities we have, and to try to provide them this microphone and these cameras and this bully pulpit to speak to America and to bring more of America here to Washington, DC.

We've had a lot of very moving events here, but Dr. Copeland, I don't think anybody has ever done a better job of bringing the reality of what it's like to deal with the health care challenges of ordinary people from all walks of life on a daily basis as you have today. And I thank you very much for that.

Secretary Shalala talked quite a bit about the record we have worked hard to establish here on health care issues. I want to thank two people who aren't here today: first, my wife, because of the role Hillary played in extending health insurance coverage to 5 million children, and now we have all the States signed up for the Children's Health Insurance Program; and I want to thank the Vice President for the critical role he has played in fighting for the Patients' Bill of Rights, for our**long-term care** tax credit, for our plan to strengthen Medicare and to include prescription drug coverage. And I appreciated the agenda he set out yesterday for expanding affordable health care to children and families who don't have it in the 21st century, something that I still believe needs to be done.

You know, I heard quite a bit about Dr. Copeland before he came here, and one of the things I heard is that his youngest daughter, who just started college a week ago, is such a good student, she's already been guaranteed admission to medical school. If somebody had figured out a way for me to get around organic chemistry, I might have had a different career. [Laughter] That's a wonderful achievement.

But the truth is, there are doctors all across our country today who having given their lives to the health of their patients, have genuine reservations about whether their children should go into medicine. They feel that for all the miracles of modern medicine, doctors are too often hamstrung by accountants, and too often the needs of their patients don't come first. You just heard a pretty good accounting.

I know that you, Doctor, are overjoyed that your own child wants to be a doctor, because you know that we have the power to do what it takes to put patients first again, which means you have faith in the health of our political system.

There are a lot of pessimists who think that nothing's going to happen here this fall, that the parties are just going to fight and maneuver and get ready for next year. I think they're wrong. For one thing, ever since we've had this divided Government, we normally have to wait until the 11th hour for really good things to happen. I've grown used to it. As I said a couple of days ago, it is now 10:30; we're ready for the 11th hour. [Laughter]

But after years of debate and genuine disagreement on a lot of these issues, I think a new and increasingly bipartisan consensus is emerging on the importance of giving patients the health and privacy protections they need, on strengthening and modernizing Medicare, on saving teenagers from the ravages from tobacco, on expanding health care coverage for uninsured children, and empowering adults with disabilities and making **long-term care** more affordable. But this growing bipartisan consensus will amount to little if the Republican leadership refuses to schedule a vote on the health care legislation. If they permit the votes, this fall could be one of the most important ones for health care reform in many, many years. If there is nothing but delay, it's just like delaying a patient; it will only make the cure harder. Sooner or later, we're going to have to face up to all these issues. We ought to do it sooner rather than later. It's a simple choice, familiar to every doctor—act early, prevent problems; or act later, at greater cost, with more heartbreak and human loss.

The American people are counting on all their leaders, of both parties, to take the wise former course. First and foremost, the Republican leaders must make the responsible choice to protect 160 million Americans who rely on managed care, with a strong and enforceable Patients' Bill of Rights. In August [p.1707] Representatives Dingell and Norwood introduced a bipartisan bill that rejects the wholly inadequate, watered-down approach taken by the Senate. It now has a clear majority support in the House of Representatives. That means both Republicans and Democrats are for it.

The Republican leaders, therefore, owe it to the American people to schedule a vote on this bill. They must not give in to pressure to tack on extraneous provisions that would jeopardize the remarkable bipartisan consensus, in the hope that they can make it so bad that I will have to veto it, and then claim it's not their responsibility after all.

The American people deserve the right to see a specialist. They deserve the right to go to the nearest emergency room if they're hurt in an accident. They deserve the right to maintain the same doctor during pregnancy or chemotherapy treatment. They deserve the right to an internal and an external review process; the right to know that their doctor can openly discuss the best treatment options, not just the cheapest; the right to hold health plans accountable for bad decisions.

More than 200 health care and consumer organizations strongly support these protections. Estimates based on Congressional Budget Office figures show that the protections would cost no more than $2 a month a policy.

Now, as you all know—all of you in this room—I have already established these protections by Executive order for everybody under a Federal health care plan, and our costs are less than $1 a month a policy. Now, whether we're right, or they're right, it's a small price to pay for peace of mind and quality health care. [Applause] Thank you.

Second, I challenge the Republican leadership to join with me to work out a plan to strengthen and modernize Medicare for the 21st century. For more than three decades, Medicare has been a lifeline to dignified retirement. You heard what the doctor said about his own patients. But with people living longer and the retirement of the baby boomers approaching, the Medicare Trust Fund is scheduled to become insolvent in 2015. Now, keep in mind there will be twice as many people over 65 by 2030 as there are today.

Today, anybody that lives to be 65 has a life expectancy of 82. By then, it will be considerably higher. By then, there will only be about two people working for every one retired. We have got to do this now, when we have the funds to do so.

I've asked Congress to dedicate more than $300 billion of the projected surplus over the next 10 years to take the Trust Fund out past 2025. That's the longest it's been in a long, long time. But we need to do it, with the retirement of the baby boomers approaching.

I challenge Congress to introduce new mechanisms of competition, to improve quality, to control costs. I've challenged Congress to modernize Medicare by helping seniors and people with disabilities pay for prescription drugs. I have also set aside a fund to deal with the Medicare problems that we now have because of the budget decisions made in the '99 Balanced Budget Act, which have imposed severe problems on a lot of our teaching hospitals, some of our therapy services, and other problems of which many of you in this room are quite familiar.

Before the August recess, Senator Roth, the chairman of the Senate Finance Committee, committed to mark up a Medicare reform package by early October. I salute him for that. With the leadership of Senator Roth and Senator Moynihan, we can get a bipartisan consensus on what to do about Medicare. I don't expect them to agree with everything I want to do. What I want them to do is sit down and talk with me and let's agree on the objectives. We have to lengthen the life of the Trust Fund. It is irresponsible for us to leave here with the Trust Fund scheduled to go out of money in 2015, with this projected surplus. It is irresponsible for us to leave here without dealing with the plain problems being faced today because of Medicare financing difficulties. And I strongly believe it is irresponsible for us to leave here without providing for some prescription drug coverage.

If we were designing Medicare today, there's no way in the wide world we'd have a Medicare program without some prescription drug coverage. And you know as well as I do that these medicines are going to do more and more and more, if properly taken, to lengthen the life and improve the quality [p.1708] of life, of people, and eventually to cut the cost of hospitalization and other more extensive interventions. So we ought to do this now. This should not wait 2 more years. We should do it now. [Applause] Thank you.

The third thing I ask the Republican leadership to join me on is to make a responsible choice to protect the sanctity of medical records. You know, to the average person, this seems like a no-brainer, a lay-down. It's actually quite a hot issue, because there are people who do not want to protect the sanctity of medical records. But as more and more of these records are stored electronically, the threats to our privacy will only increase.

We know that protecting medical records has been a genuine priority for leaders in both parties. But the longstanding deadline for action by Congress came and went more than 2 weeks ago. If Congress does not soon pass legislation to protect patient records, I will honor the pledge I made to the American people in the State of the Union to do so through executive action. If need be, I will issue these new protections this fall. We should not delay this anymore.

But again, I don't want this to become a fight either between the executive and the legislative branch, or between the two parties. I would far rather have legislation so that the American people can look to Washington and see people in both parties saying that your medical information belongs to you and you alone. Only you can control how it is used.

The fourth challenge I want to issue to the leadership is to make sure that we make the responsible choice to allow people with disabilities to keep their health insurance when they go to work.

Now, there is huge bipartisan support for this. Last June the Senate unanimously adopted the bill, sponsored by Senators Jeffords and Kennedy, Roth and Moynihan, that would finally end the system that says to people with disabilities: If you want to go to work, you've got to give up your health insurance and, therefore, you'll have to spend more every month than you can possibly make.

Now, we have worked hard to end the disincentives that for too long kept people on welfare out of the work force. These disincentives are even more severe for people with disabilities, with serious health care problems.

I met a man in New Hampshire a few months ago who, if he had to pay his own health bills, would have had bills of $40,000 a year, and he desperately wanted to take a $28,000 job. Now, we're out the $40,000 anyway. Forget about the human impact on his life and his community and his family. Wouldn't you rather have the man making $28,000 and giving some of it back in taxes as a productive citizen, having him out there as a role model, having people see what people can do if given the chance to live up to their God-given abilities? This is foolish. It is time to schedule a vote on the "Work Incentive Improvement Act" in the House of Representatives.

Now, the bill has 231 cosponsors in the House, so it's got bipartisan support. Now, most of you here know what the problem is. This bill costs money; under our budget rules, we have to pay for it. I gave them a way to pay for it; they don't like my way to pay for it. I say, "Okay, if you don't like my way, bring me another way." But we can't—when a bill gets this kind of support in Congress—and believe me, instead of 231, the number would be 400 in the House if we didn't have this dispute. They don't like the way I want to pay for it. Okay, it's a big government; there are lots of options. [Laughter]

But any way to pay for this within reason is better than letting one more year go by where people have to give up a precious year of their life when they could be working and being fulfilled and making a contribution to our country when it will not cost us, really, any more money.

So I say, I understand what the problem is. We'll be reasonable. We'll work with you. But we cannot walk away from this session of Congress without passing this legislation. It will change the lives of tens of thousands, hundreds of thousands of Americans, with one simple bill.

Fifth, I challenge the Republican leaders to make the responsible choice to prevent yet another generation of children from being lured into smoking and becoming addicted to it. More than 400,000 Americans [p.1709] each year die of smoking-related diseases. Almost 90 percent of them started smoking as teenagers. All the studies confirm that the price of cigarettes is one of the most effective ways to prevent kids from starting to smoke in the first place.

My balanced budget raises the price by 55 cents a pack. It's good health policy; it's good fiscal policy. It will help us to save the Social Security Trust Fund, and it will allow us to honor our commitments by aiding both parents and children. For these reasons, Congress should side with America's families, and not with the tobacco lobby. We don't want to let another opportunity go up in smoke.

Sixth, I challenge the Republican leaders to make the responsible choice to expand health coverage for the children of working families. Today, as I said, with the approval of the plan submitted by Washington and Wyoming, all 50 States and territories have now joined the children's health insurance initiative. Unfortunately, even with full participation from the States, there are still, literally, millions of children who are eligible for help who have not begun to receive it; and other children, like legal immigrants and foster children turning 18, who also need coverage.

Once again I ask the Congress to fully fund the initiative that I gave them to help the States provide the coverage to the kids. We did this initiative together. When we passed the bipartisan balanced budget bill it has heavy majority support from both parties in both Houses. Heavy majority support in both parties in both Houses. And this was one of the things that I think all the Members were most proud of.

Now, we've got a million and a half kids signed up, and we've appropriated money for 5 million kids. And we've simply got to do more to sign these children up. This is a modest cost for a huge return.

Seventh, I asked the Republican leaders to make the responsible choice by helping families cope with the strains of **long-term care**. In our balanced budget—in the balanced budget, having nothing to do with the surplus or the tax cut or any of that, I proposed a tax credit and other initiatives aimed at helping elderly, ailing, and people with disabilities or the families who care for them to deal with the cost of **long-term care**. This will become a bigger and bigger challenge as America ages. People will want to make different kinds of choices based on the facts of their family situation or the facts of the problems of people needing **long-term care**. That's why I believe the best thing we can do for them now is to give them a tax credit. It is a good beginning, and I hope we can pass it.

Finally, I ask the leaders to join with me in choosing wisely to continue to invest in public health. I'm talking about investing to begin closing the devastating health gaps we see that Surgeon General Satcher has done so much work on in Native American, African-American, Hispanic, and other communities; investing and treating and preventing mental illness; investing in the National Institutes of Health and the Centers for Disease Control.

Now, usually, I don't give a talk with eight points—[laughter]—because I'm always—you give a test, and people are lucky to remember four. But I felt better after the Doctor went over most of them. [Laughter] I felt like it was almost a prescription after he got through. This is not a laundry list. They are like eight panels of a protective umbrella for America's future. They're connected; they work together; they'll help millions of Americans weather the many changes in our health care system and the inevitable changes in their own lives.

Health care cannot be a partisan issue. It hasn't been, and it shouldn't be. I was glad to hear the Doctor say that he was referring to his Republican and Democratic patients. You know, every time I give this talk, I say that no one asks you when you show up at the doctor's office and you fill out those endless forms—there's no box for Republican, Democrat, or independent. [Laughter]

And we see now in Washington a mood change that has already been out there for a long, long time in the country. You see it in the people coming over for the Patients' Bill of Rights; in the people saying, "Yes, we want to provide the opportunity for people with disabilities to go to work." You see it in the efforts we have with children's health insurance. [p.1710]

So I am optimistic about the future. I think the Copelands' daughter will have a good time being a doctor, just like her father did. I think we will make meaningful progress in this session. The bipartisan votes are out there. Nothing can stop it unless the votes aren't scheduled or we decide not to talk. We've got to schedule the votes, and all of you know I'm always willing to talk. [Laughter]

Thank you, and God bless you.

Note: The President spoke at 2:57 p.m. in the East Room at the White House. In his remarks, he referred to Dr. Lanny R. Copeland, president, American Academy of Family Physicians, his wife, Mica, and their daughter, Mary Anne.

Source: United States. Executive Office of the President, Weekly Compilation of Presidential Documents, Week Ending Friday, September 10, 1999 (Washington, D.C.: U.S. Government Printing Office, 1995), 35:1705-1710

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Remarks in a Roundtable Discussion on Long-Term Health Care in Dover, New Hampshire, February 18, 1999

The President. Thank you very much. Thank you very much, Governor; to our panelists. I'd like to thank the mayor, the numerous State legislators who are here, city council members, and county commissioners and others. I'm delighted to be back here and delighted to have a chance to meet with all of you and to hear from our panelists about an issue that I had a lot of conversations like this about in 1991 and 1992 in New Hampshire.

I came here to talk about the health care needs of our people, what we can do to address them, and the special responsibilities we have now as a result of the aging of America. As all of you know, the number of people over 65 is going up dramatically. When the baby boomers retire, we will have double the number of people over 65 we do today. And that imposes all sorts of challenges on our country, on the Nation as a whole and on the States.

I want to compliment the Governor for the marvelous work that she has done here in New Hampshire, taking full advantage of our children's health program, which, as she said, was part of the Balanced Budget Act. We think it will enable us to provide health insurance to at least 5 million of the 10 million children in our country who don't have it if the States will vigorously implement it. And New Hampshire has done a terrific job. And I also appreciate the work she's done on health access, disability, and other issues. We'll talk about some of that today.

Our panelists today are going to talk about a number of the health challenges we face, the right of patients to have proper health care, and you talked about the right to sue. As you know, I tried very hard last year, and I'm trying again now to pass Federal legislation which would give people the right to seek redress from HMO's if they suffer wrongfully. We want to talk about how hard it is for small businesses still to provide coverage. We want to talk about the health care needs of the elderly and children and people with disabilities.

As I said, all of these health care needs are going to be complicated by the aging of America. They're going to be complicated by the fact that as we live longer, more and more of us will need some sort of **long-term care**. And that's why one of the things in our balanced budget is $1,000 tax credit to help families defray the cost of providing **long-term care** for elderly or disabled loved ones.

We also, because health care is improving, we'll have larger numbers of people with disabilities who deserve the chance to go to work, if they can work, to have health care, to live to the fullest of their abilities.

I believe that we need to see this in the context of a larger picture. But I would like to say just a word about the discussions that will inevitably be held about a problem that we could—no one would have believed if we had talked about it 6 years ago in New Hampshire or 7 years ago, and that is what to do with the surplus. [Laughter] That was an inconceivable discussion in 1991 and 1992 in New Hampshire.

There are all kinds of ideas—let me just say that because we have a challenge with the aging of America, which affects not only those who will be seniors but their children and grandchildren—I can tell you as the oldest of the baby boomers, one of the things [p.240] that my generation is most worried about is that our aging will impose unsustainable burdens on our children and, therefore, undermine their ability to raise our grandchildren.

That's why, when we talk about saving Social Security and saving Medicare for the 21st century, we're not only talking about the seniors of our country but also the children and grandchildren of those seniors. And it's an economic necessity not only for the seniors but for all of their children as well. And the same thing is true when you talk about doing something about **long-term care**. But I'll just say that on the surplus issue, which is not primarily what I wanted to talk about today but the first question—you will hear all kinds of debates in the next year about what to do with the surplus. And they'll all be good ideas, but we have to ask ourselves, what should our first priority be?

My first priority doesn't take all of the surplus, but my first priority is to set aside enough money in that surplus to save Social Security and Medicare for the 21st century, strengthen Social Security by doing something about the extraordinary poverty rate among elderly women, who are increasingly living alone in their later years, and lifting the earnings limit on Social Security to help healthy seniors get what they're entitled to and still be able to work if they choose, to save Medicare and to do something to modernize Medicare that I think is terribly important.

I'll never forget the meeting I had in Nashua at the Moe Arel Senior Center there, with the couple that told me they missed a lot of meals every week so they could pay their medical bills. Medicare should have a prescription drug benefit. I feel very strongly about that. And let me say again, this will cost money in the short run; it will save big money in the long run. If people can get proper medication, particularly with the dramatic advances in medical science, what you will see is there will be fewer trips to the hospital, fewer trips to the doctor, people being able to maintain their own health care.

So I hope these things will be done. If we do that, it would require us to save about 77 percent of the surplus for 15 years, and we project now we will have one now. Of course, it will be off from one year to the next. Some years we'll have good economies; some years the economy won't be so good. But there is no built-in deficit in your Government anymore, so over any 10 to 15 year period we can pretty well predict, if we have normal economic performance, ups and downs, what the aggregate savings would be.

If we do that, let me tell you something else we can do. We will pay down the publicly held debt in this country, which was 50 percent of our annual income when I took office—now down to 44—we'll pay it down to 7 percent. That's the lowest it's been since 1917, before we went in World War II. What that means is that instead of spending 14 cents of every tax dollar you send to Washington just paying interest on the debt, which is what we were doing in 1993, when I took office, we'll be only spending 2 cents of every tax dollar for interest on the debt.

So we can deal with the aging of America in a way that gets the debt down, brings interest rates down, keeps the economy going, and strengthens long-term economic health and well-being for America.

So I hope that whatever we do on all the other issues and the details of Social Security and Medicare and all that, there will be a common understanding that our first priority needs to be to keep the economy strong, deal with the aging of America, and invest in the future of this country.

Now, meanwhile, let's come back to the present day. In the balanced budget I have presented to Congress, that has nothing to do with the surplus—in other words, whatever this debate is in the surplus is not affected by the budget I presented this year—we do have a $1,000 tax credit for people to provide **long-term care** to the elderly and disabled. This has become a bigger and bigger concern of Americans as more and more people provide this because they think it is the right thing to do or because it is the only thing to do. Whether it is the right choice or the only choice, it is rarely an easy choice, and it is never cost-free.

Last summer at their annual family conference in Nashville, Vice President and Mrs. Gore talked about this whole **long-term care** issue a lot, and we got into the developing this proposal. And now the Vice President [p.241] is having forums about this all across the Nation. But the basic problem is that out-of-pocket expenses even for family members providing **long-term care** can be quite high, and as you know, it's rarely covered by private insurance or Medicare. And for caregivers who hold a job outside the home—which that's the vast majority of caregivers—they may have to take unpaid leave or work fewer hours, which also is a direct drain on them.

Now, we have tried to strengthen Medicare by cracking down on the fraud and abuse; we've saved billions of dollars on that. We've extended the life of the Trust Fund for a decade. But in the next few years, this **long-term care** challenge for the elderly and for the disabled is going to mushroom, so in our budget we have the $1,000 tax credit. We also have a caregiver support program to help put caregivers in touch with each other so they can help each other and to provide technical and other support for them. And we also have taken new steps to help Medicaid pay for home and for community-based care. All of this I think is quite important.

I also believe very strongly that we should pass a national Patients' Bill of Rights, like the one Governor Shaheen has been trying to pass here. And it's obvious why more and more people are covered by managed care. You're going to see this year the managed care insurance rates start to go up quite steeply after years of being around the rate of inflation. And I think people in managed care programs can benefit from them as long as they don't have to give up the quality of care. If you need to see a specialist, you ought to be able to see one. If you have to change jobs, you shouldn't have to change doctors in the middle of a treatment, whether it's a chemotherapy treatment or a pregnancy or some other kind of continuing treatment. And you should not be denied the right to sue, in my judgment, if you are harmed.

There are other provisions in our Patients' Bill of Rights. I hope we can pass that this year. I believe this is not a political issue anyplace in the world except Washington, DC. If you took a poll in Dover, New Hampshire, I'll bet you there wouldn't be a nickel's worth of difference in the support for a Patients' Bill of Rights among Republicans, Democrats, and independents. We all get sick. We all need doctors. We all need health care. This should not be a partisan issue.

There's another bill there we're trying very hard to pass this year that would affect some of the families in this room and many in the State, and that is legislation proposed by Senator Jeffords, Senator Kennedy, Senator Roth, and Senator Moynihan, that would allow people with health—disabilities to keep Medicaid health insurance when they go to work. I think this is very, very important.

I always remind people—by the way, to the younger people in this audience, saving Social Security is an issue not just for seniors; a third of the money from the Social Security Trust Fund goes to payments to disabled Americans and payments to surviving children and other family members of people who die prematurely. So this is something that we should never forget. When you hear all this debate on Social Security, don't forget that, that it's not just a question of what we pay in and what we get out in retirement; it's also we're insuring all of each other against the vicissitudes and the fortunes of life. And I think that's very important, but this bill is incredibly important.

And finally, we've asked Congress to pass a plan that would give tax relief to help small businesses insure their employees and to help them join together and form more pools to buy more economical insurance. That is still a very large problem in our country.

When I came here in 1992, people were very concerned about the number of Americans who did not have health insurance on the job. I can tell you that the number of Americans without health insurance on the job has increased since 1992. Now we are insuring more people than we were then because we've extended the Medicare program, and we want to extend it further for people with disabilities who go to work. We're going to try to get 5 million kids into the program that the Governor talked about. But we have to do everything we can to try to help small businesses to afford health insurance for their employees.

Well, those are the things that I wanted to talk about. I hope that there will be broad support for them here; I hope you will tell [p.242] your congressional delegation you think we ought to have a $1,000 tax credit; you think we ought to have a tax credit for small businesses to get health insurance; you support the effort to let people who are disabled keep their Medicaid health insurance when they go into the workplace; and you support the Patients' Bill of Rights. These are some of the things that I believe we can get done this year, and I'm going to do everything I can to do it.

Now, let's hear from our panelists. I'd like to start with Beth Dixon, who is a mother of four from Concord, who spent the majority of the last year caring for her father who suffered from Alzheimer's and passed away last March. I'd like for her to tell a little bit about her story and what we could do to help people like her.

[Ms. Dixon described her family experience with a disabled child and a father who was an Alzheimer's patient. She stated that her parents moved in with her but that it was so difficult, even with help from the extended family, that her father finally had to be put into a nursing home. She concluded by introducing her son.]

The President. I think we ought to give him a hand. [Applause]

You know, I lost an uncle and an aunt to Alzheimer's. And again, it's something we'll have more of as we live longer. The average life expectancy in America is now 76. The young people in this room today, their life expectancy is probably about 83 if the present rates of medical advances continue. But until we find a cure for this—and we're investing a lot of money in it now, in research—we're going to have to deal with it.

I think when we hear somebody like Beth talk, we may have mixed feelings, but I don't know how that woman did that. I mean, that's what we're all thinking. On the other hand, I think we're all thinking, Beth, it's a good thing extended families can stay together for as long as possible. And I consider this tax credit just a downpayment on what I think our country should be doing.

I think over the long run, as we live longer, we have not just three but four generations of families up and around and doing, we will always have a need for our nursing homes, our boarding homes, our hospitals. But I will predict to you that when my term is over and when people are grappling with this over the next 10 years, that the American people will essentially demand that families get tax relief and other support because you'll have more and more families at least trying to do what Beth did. But this is a big first step because the Government has never done anything to help people in this situation before, and it's high time we did.

I'd like to call on David Robar now, a 34-year-old New Hampshire native who sustained a spinal cord injury which has permanently injured him. Before that, he was a world-class ski jumper, and he's made quite a brave life for himself now, going back to school and learning. I'd like for him to talk about his circumstances and how he might be affected by some of the things I mentioned today.

David?

[Mr. Robar stated that he sustained a spinal cord injury in 1990, but after hospitalization and rehabilitation, he finished his business degree. He said that by working part time, he received personal attendant benefits under the Medicaid program, but if he worked full time, he would make too much money to qualify and would lose the benefit, even though his out-of-pocket cost for personal attendants would be more than his full-time income. He concluded by thanking the President for supporting initiatives to address the **long-term care** needs of individuals with disabilities.]

The President. I want to emphasize what he said to you. Under present law, he is entitled—and I think all of us are glad he is—to get attendant care services. He will get them if he stayed home and did nothing. He'll get them, and the cost would be the same. He is permitted to work part-time, and he still gets them. If he works full-time, he loses them.

Now, if he worked full-time, it would cost you less. Why? Because the cost for the attendant services would be no more, but he'd be paying more in taxes to defray the cost of his own services. This is a crazy situation, and it's one of those things that hasn't been [p.243] done in the past. It's kind of like the prescription drug benefit for Medicare: It cost more money for a year or two because you have to start fronting the money, but over time it obviously will be a big net benefit to us. And not only that, I think our basic respect for human dignity requires us to do everything we can to give people a chance to work.

We worked hard to pass the welfare reform law that said if you're able-bodied and there's a job, you've got to work if you can. When you have people knocking down the doors to work who could get jobs, for us to deny them the right because of some barrier in Federal law I think is unconscionable. And I hope and believe this will pass this year. And you'll be exhibit A. I'm going to talk about you all over America but especially in Washington. And I thank you.

Karen Goddard is a mother of two children and the owner of two maternity and children's clothing stores. She's from Nashua, and she's got an interesting situation with health insurance. I'd like for her to talk a little about them.

[Ms. Goddard stated that she was a single mother who owned two shops, employing four part-time employees. Although she qualified for Medicaid because of her income and her single-parent status, she wanted to get health insurance for her children and her employees, but each time she looked into it she found it too expensive. She noted that she had friends who owned small businesses and that she was not alone in this situation. Gov. Jeanne Shaheen then stated that New Hampshire was trying to pass legislation to allow small businesses to combine to form purchasing cooperatives to lower the cost.]

The President. I think that the two things we're trying to do are complementary. But basically, what we need now under the present state of laws, is the Federal Government should provide some sort of tax break to small business, some financial aid to lower the cost of the premium, as well as facilitate the joining together of small businesses into a larger pool. Because the real problem is, if you've got three or four employees—I know some of them are insured through their spouse's work program—but let's suppose you've got just your one employee who has a child. It's not only prohibitively expensive now, but if you add one child in any of the groups and you're trying to insure two or three employees, you're out of there. I mean, you can't begin to afford it.

So I think the important thing is for us not only to provide financial assistance but to facilitate small businesses going into bigger groups and to cut the costs and the hassle of all the paperwork involved in that. And we're going to try to do that, and I think it will bear some fruit.

Eventually, some provision will have to be made to do more than that, I think, but this is a very important first step. And there are probably millions of people who could get health insurance if we could have a combined State-Federal effort to give a little break on the premium and then to bring the overall cost level down by letting some people like you go into bigger pools. And that's essentially where we're going with this.

I want to now introduce Christine Monteiro, who has four children who have been insured intermittently for the last 11 years, completely uninsured for the last 5 years, and she discovered the child health program that the Governor passed that we supported back in the balanced budget law. And I'd like her to talk about it, and then I've got a specific question I want to ask.

[Ms. Monteiro stated that she was the mother of four daughters and that she and her husband ran a small business. In the early years in business they had been in and out of insurance plans, due to large deductibles and the rapid growth of premiums, and in recent years had no insurance at all. During a visit to her doctor's office she learned of the Healthy Kids program, without which she would not have been able to afford recent medical bills.]

The President. Tell me again how you found out about this program.

Ms. Monteiro. I took my daughter to the doctor's, and I asked him about a subsidized or a sliding scale, and then they told me about Healthy Kids.

The President. The reason I ask is that one of our big problems in the larger urban areas—I wish this lady were an exception, but she's not. There are 10 million children [p.244] out there like her kids—10 million—and any of them can get sick. And one of the problems we've got is really developing a system in a lot of places for people to know.

There are places where people won't even go to the doctor, they're so discouraged. And anyway, if any of you have any ideas about that—I think we have tried—I think most of the States are trying to make sure that the doctors tell people if they actually come to the office that they might be eligible for this, and that's the most practical thing to do. But we also need a lot more outreach because it's conceivable to me that the money we've allocated to this that we're giving the States will cover even more than 5 million kids if we can actually find them and tell them.

And I know this is painful for you to come here, but this is important. The American people need to know this. They need to know, A, this thing, it's here, in New Hampshire, and it's good. And it's in other States. But they also need to know there are a lot of people like you out there that need help that don't have it yet. So thanks for being brave enough to show up. I appreciate it.

I'd like now to call on Stephen Gorin, who is a professor in the social work program, at Plymouth State College, the executive director of the New Hampshire Chapter of the National Association of Social Workers, which is the State's most visible patient advocacy organization. He also has a biweekly radio program.

[Mr. Gorin described his encounters with families denied access to specialists, physicians offered incentives to limit referrals, and consumers denied the right to appeal adverse decisions. He noted that due to a loophole in Federal law, an estimated 600,000 New Hampshire residents lacked the means of holding managed care organizations accountable for injury or damages and stated that the Patient's Bill of Rights would close this loophole.]

The President. You know, the Vice President tells this great joke about these two guys that show up at Heaven, and St. Peter asks the first guy, "What did you do on Earth?" And he said, "I was a lawyer." He said, "I don't know about you." [Laughter] He said, "Yeah, but I did all this pro bono work for poor people. I really did; 20 percent of my time, I did it." And he said, "Well, okay, come on in." And the second guy says that he was a media mogul. And he said, "I'm not sure about you." He said, "But I gave away 10 percent of my money to my church and to my charity every year." And he said, "Okay, come on in." And the third guy's just hanging his head. He's so sheepish, and he said, "I ran an HMO." And St. Peter said, "Well, come right in, no questions asked, but you can only stay 3 days." [Laughter]

He tells it better than I do. But anyway, I'd like to make this point. The reason we need this Patients' Bill of Rights partly has to do with the structure of these HMO's. Keep in mind—let me take you back to 1992. Costs in health care were escalating at 3 times the rate of inflation. That was unsustainable. We were all going to go broke paying for health care. We were already paying a much bigger percentage of our income than any other country in the world was, so we needed to manage the costs.

The problem is, when you set up a group to manage the costs, unless there are standards everybody has to adhere to—that's why a lot of these HMO's actually support the bill of rights. Some of the really good ones support this, because unless there are standards everyone has to adhere to, they're going to be interested in cutting costs. And a lot of the bigger ones, for example, someone shows up for a procedure, and they need a specialist, or they need a certain special procedure, and the doctors says, "Well, I have to refer it to the HMO." Normally the nurse in the doctor's office will call the HMO. Well, the first person you call is not a doctor, and they just know one thing: They will never get in trouble for saying no, right? So then, they have a certain amount of time they have to appeal. Very often, the person at the same level is not a doctor. They know the second thing: They're never going to get in trouble for saying no. Why? Because they know somewhere up the line there is a doctor, and if they mess up by saying no, then they say, "Well, the doctor will fix it." But if they mess up by saying yes, they'll be told they're not saving money.[p.245]

The problem is, it's like justice. Health care delayed can sometimes be health care denied. That's one of the biggest problems. And I have heard all these chilling stories, I'm sure you have. By the time people get their procedures approved, it's too late. And the emergency room thing is really unconscionable, particularly—it would apply, like in New Hampshire where most of the communities aren't very big, it would apply more if you were visiting Boston or something and you got hit by a car and you went to the nearest emergency room and they say, "I'm sorry. The emergency room your HMO will reimburse for is 15 miles in the other direction." So we have got to fix this.

Now, the opposition says it will raise the cost of health care. It will but not much, maybe 8 or 10 bucks a year or something. It would be worth it to you; one trip to the emergency room, it would be worth it to you.

So I think—I can't tell you how important I think this is. I think you're going to have more and more and more of these horror stories unless we pass a national bill which will, at a very minimum, protect the State's ability to do what Governor Shaheen wants to do and say everybody has got a right to the nearest emergency room, to a continuation of treatment, to see a specialist, and to know what all their medical options are.

And again I say, this should absolutely not be a partisan issue. It has been in Washington because of the interplay of the organized interest groups up there, but it's not out in America. And it shouldn't be. You just keep plugging; we'll get there this year, I think.

That is our health agenda for this session of Congress. You see it here embodied in these five panelists and then what the Governor has worked to do on the children's health programs and other things. I would very much like to see the spirit in the country and in Washington, DC, that I felt here in New Hampshire so many years ago when I first came here, to take these health care issues and sort of put them beyond partisan politics and put the people and the families of this country and their interests first.

If we succeed this year in doing that, all of you can know that your presence here made a difference and especially the panelists. I think we should give them one more big hand. [Applause]

Thank you very, very much, and God bless you all.

Note: The roundtable began at 11:30 a.m. in the auditorium at the Dover Municipal Building. In his remarks, he referred to Mayor Will Boc of Dover, NH.

Source: United States. Executive Office of the President, Weekly Compilation of Presidential Documents, Week Ending Friday, February 19, 1999 (Washington, D.C.: U.S. Government Printing Office, 1995), 35:239-245

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Final

PRESIDENT WILLIAM J. CLINTON
REMARKS FOR AARP EVENT
WASHINGTON, DC
February 3, 1999

Ack: Joseph Perkins, Pres., AARP; John McManus, Chair, AARP Nat'l Legislative Council; Tess Canja [CAN-ja], President-Elect, AARP. Horace Deets, Exec. Dir., AARP.

I want to begin by thanking you for inviting me to speak to you today. A couple of years ago, I nearly fainted when my first AARP card came in the mail -- it certainly drew my attention to the fact that I was turning 50. But for more than 40 years, AARP has been drawing all of our attention to the long-term challenges posed by the aging of America. I want to talk to you today about what I believe we must do as a nation to meet those challenges -- and to uphold our duty to future generations.

When I first ran for President in 1992, I spoke to you at your convention in San Antonio about the kind of America I wanted to work with you to build -- an American that honored its obligation to our older people without burdening its young people. An American with its fiscal house in order and its future shining brightly.

So when I took office, we charted a new course based on fiscal responsibility, smart investments in our people, and more trade. In the past six years, we have worked hard, and come far. Today, Americans have created the longest peacetime expansion in our history -- nearly 18 million new jobs, wages rising at twice the rate of inflation, the highest home ownership in history, the lowest welfare rolls in history, the lowest peacetime unemployment since 1957. And as you know, last year, for the first time in three decades, we turned red ink to black with a $70 billion surplus -- on course for a quarter century of budget surpluses.

I thank you for your hard work over these six years on behalf of America's seniors. I thank you for standing strong for bipartisan progress for our nation. And I am very proud to stand with AARP as we say, together: We must use this moment to save Social Security and strengthen Medicare for the 21st Century. There is no higher priority for our nation.

For as I said in my State of the Union address, our fiscal discipline gives us an unsurpassed opportunity to address a remarkable new challenge -- the aging of America. I laid out a four point plan -- saving Social Security, strengthening Medicare, providing tax relief to help Americans save for retirement, and a tax credit to help families with long-term care for aging and ailing loved ones -- that will help us to honor our duties to our people today, and uphold our responsibility to future generations.

On Monday, I sent to Congress my new balanced budget for the year 2000 -- the first

budget of the 21st Century -- that embodies my plan by ensuring that we use the surplus to meet the challenge of the Senior boom.

I believe it is imperative that we dedicate the lion's share of the surplus to saving Social Security and Medicare. Here's why. We know that these are not just programs -- they reflect our deepest values, and the duties we owe to one another. Before President Franklin Roosevelt created social security, being old meant living in poverty and fear. Before President Johnson created Medicare, old age and illness were virtually synonymous.

We must act and act now to preserve these guarantees. So I have proposed that we invest 62 percent of the surplus for the next 15 years in Social Security. I am very pleased that members of Congress of both parties have agreed that this is the right thing to do. As you know, I have proposed investing a small portion of the trust fund in the private sector, just as any private or state government pension would do. I agree with AARP that we must insulate any investment of the surplus from political influence, and I believe we can. If we do all this, we will earn a higher return and keep Social Security sound for 55 years.

But from the beginning, we have measured the financial health of Social Security by asking if it will be sound for 75 years into the future. So we should aim higher, and take steps to strengthen Social Security for 75 more years. At the same time, as we do so, we should make changes to improve the program: We should help reduce poverty among elderly women, who are nearly twice as likely to be poor as our other seniors. And we should eliminate the limits on what seniors on Social Security can earn.

To do all this won't be easy. It will require difficult but achievable choices. It will require us to work together across party lines and across the generations. But by making hard choices and working together, we did the seemingly impossible when we balanced the budget. And I am confident we can do it again to save Social Security, now.

You know and I know that saving Social Security, alone, is not enough to prepare America for its future. We must use more of the surplus to do that. Take a look at this chart. Republicans and Democrats agree that investing 62 percent of the surplus to strengthen Social Security is the right thing to do. But our responsibility to the generations does not end there -- we must also agree to use our hard-earned surplus to strengthen Medicare. Some -- even those who agree we should save Social Security -- would use the rest of the surplus for tax cuts. But we must meet all our obligations to future generations. We must save Social Security and strengthen Medicare.

President Kennedy, who first proposed Medicare, famously said "to govern is to choose." And so we should have a great national debate on which course to choose as we enter the 21st Century. Just yesterday we learned of a proposal that would make fundamentally different choices with America's surplus. This plan would spend $743 billion -- nearly three-quarters of a trillion dollars -- on a tax proposal oriented towards the wealthiest Americans; all before Medicare has been secured. That would be the wrong choice for America.

This is just the latest in a series of risky tax schemes that have been proposed over the years. And if we had adopted even one of them, we wouldn't have a surplus today. We must not return to the old, failed policies of deficit and debt. I believe Americans deserve tax relief, and in a few minutes I will tell you about the tax cuts I have proposed to help families, especially our targeted tax cut for savings called the USA Account. But anyone who hopes to spend the surplus has an obligation to first tell America's families how they plan to preserve and extend the Medicare trust fund into the next century. That's what I mean when I say: first things first.

I want to work with you and with lawmakers of both parties to strengthen Medicare -- including the Medicare Commission chaired by Senator Breaux. In the bipartisan balanced budget agreement of 1997, we extended the life of the Medicare trust fund by 10 years. To truly stabilize Medicare, we should extend its life until 2020. But it is plain that, to truly strengthen Medicare for the long term, we will have to take further steps -- and as we do so, we can make sure that it is modern and competitive, and improve its service to America's seniors.

Here are the principles I believe should guide as us as we go forward.

First, Americans should be able to count on Medicare and know that it will be there for them when they need it. I have proposed to use one out of every $6 in the surplus for the next 15 years to guarantee the soundness of Medicare until the year 2020. Without these new resources, Medicare spending would have to plummet significantly below the private sector average -- which would seriously weaken a program that older Americans rely on.

Second, Americans on Medicare should be able to count on a modern, competitive system that maintains high quality care and top notch service by drawing on the best private sector practices.

Third, Americans on Medicare -- especially older Americans with lower incomes -- should be able to count on a defined set of benefits and protections, without having to worry about excessive new costs.

Fourth, Americans on Medicare should be able to count on a benefit they have long waited for: prescription drugs. I believe we should use the savings these reforms create to fund a new prescription drug benefit. I thank Senators Kennedy and Rockefeller for their leadership, and I look forward to working with members of both parties on this important issue. We have all heard the terrible stories of senior citizens making the impossible choice between skipping a dose of medicine or skipping meals. This step will help ensure no American on Medicare ever has to make that choice.

I believe that if we take these actions today, we will ensure that Medicare is there for the today's seniors, for Baby Boomers, and for generations to come.

As I said a moment ago, Americans have worked very hard to replace the era of budget

deficits with a new age of budget surpluses. They deserve to benefit from it -- and they deserve tax relief.

I believe that we should use a percentage of the surplus to give Americans well-earned tax relief that strengthens working families, encourages savings, and increases wealth. That is why I have proposed $536 billion in tax credits to establish USA accounts that give working Americans a chance to save for the future. And I have also proposed a $1,000 tax credit to help pay for long term care needs for the aged, the ailing, and the disabled. We know that as America ages, long term care needs will increase -- and we must do more to help.

This is the kind of tax relief that is good for America. But if we squander the surplus before we honor our most profound responsibilities to our parents and our children -- before we save Social Security and strengthen Medicare -- we will waste a once-in-a-lifetime opportunity to build a stronger nation for the 21st Century.

Seven years ago, I told you that if we worked together, we could "leave our children a nation that is stronger, freer, and richer than the one we inherited." Today, I believe we can truly say that we are much closer to leaving this world better than we found it -- and I look forward to continuing our progress, together.

Thank you.

Public Papers of the Presidents

Public Papers of the Presidents

February 3, 1999

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BODY:

Thank you, and good morning. Thank you, Mr. Perkins -- or, good afternoon. Don't tell anybody. [*Laughter*] Don't tell anybody I didn't know what time it was. [*Laughter*]

Thank you, Mr. Perkins, for your memory of that -- I did say that, about counting. Mr. McManus, Tess Canja, Margaret Dixon, John Rother, and Horace Deets: thank you especially for representing the AARP so well in dealing with the White House over the last 6 years.

I was glad to be invited to come over here today. You know, it's rare that a President gets to speak to an organization of which he's a member. [*Laughter*] And as I said repeatedly a couple years ago, I had mixed feelings about that, when you called my attention to the fact that I was aging. [*Laughter*] But I don't have mixed feelings about the record the AARP has established for 40 years, calling attention to the challenges of aging to all Americans.

Those challenges, today, are more profound than ever as we look forward to the baby boom becoming a senior boom, the number of seniors doubling by 2030. We owe it to 21st century America, to the children and the grandchildren of the baby boom, as well as to all the seniors, to meet those challenges and to meet them together.

I remember, in 1992 when I was a candidate for President, I came to your convention in San Antonio and talked about the kind of America I wanted to work with you to build, an America in which we honor our obligations to older Americans without burdening younger Americans, an America with its fiscal house in order and its future shining brightly. When I took office, we charted a new course to achieve that kind of America with fiscal discipline, more investments in our people, more trade for our goods and services around the world.

In the past 6 years, the American people have worked hard and come far. We know now that we have the longest peacetime expansion in history: nearly 18 million new jobs; wages rising at twice the rate of inflation; the highest homeownership in history; the lowest welfare rolls in history; and now, the lowest peacetime unemployment rate since 1957. Last year, for the first time in three decades, the red ink turned to black with a $ 70 billion surplus. We project one slightly larger than that this year and projecting them on out for about a generation, as we have ended the structural deficits that caused our national debt to quadruple between 1981 and 1992.

I want to thank you for your hard work over these past 6 years, for standing strong for bipartisan progress on the issues of great concern to you. Now, I ask you to stand with me and to say, we must meet the great challenges of the next century. We must use this prosperity; we must use this confidence; we must use this projected surplus to save Social Security, to strengthen Medicare, to meet the challenges of the aging of America.

In my State of the Union Address, I laid out a four-point plan to do that: saving Social Security; strengthening Medicare; providing tax relief to help Americans save for their own retirement; and a tax credit to help families with **long-term care** for aging, ailing, and disabled relatives. These will help our country to honor our duties to people today and to uphold our responsibility to future generations.

On Monday I sent my new balanced budget to Congress -- the first budget of the 21st century -- to implement this plan. First, in the budget we dedicate the lion's share of the surplus to saving Social Security and to strengthening Medicare. Both are important, and I'd like to explain why.

I proposed that we invest 62 percent of the surplus to save Social Security, and the surplus -- excuse me, for the next 15 years. I am very pleased that Members of Congress in both Houses and both parties have agreed that this is the right thing to do. As you know, I have proposed investing a small portion of the Trust Fund in the private sector, to do it in a way that any private of State government pension would do. I agree with AARP that we absolutely have to insulate any investment of the surplus from political influence. And I believe we can, just as other public pension funds do.

I was in New York last night, talking to several people there in the investment community who came up to me and said they thought I was right, and they hoped that we wouldn't let initial criticism stop us from offering a plan which would demonstrate to the American people that you could run this investment just like any other public pension investment is run. And I am confident that we can do that.

If we do this, we can earn a higher return and keep Social Security sound for 55 years. Now, all of you know that from the beginning we have measured the financial health of Social Security by asking if it will be sound for 75 years into the future. I do believe we have to take steps to strengthen Social Security for 75 years. I have looked at the options. Believe me, it's a lot easier to go from 55 to 75 than it is to go from where we are now, 2032 to 75.

I also believe we have to improve the program by reducing poverty among elderly women who are twice as likely to be poor as married couples on Social Security. I believe we should eliminate the limits on what seniors on Social Security can earn. This costs the Trust Fund some money in the short run, but over the long term it will actually strengthen the retirement systems of the country. And more importantly, it will strengthen the quality of life of people in their later years.

Now, doing these things will require some difficult choices, but they are clearly achievable. You know basically what the range of options is, and I know what it is, as well. To make them, it is clear what we have to do. We have got to work together across party lines to make these decisions. We have to work together across generational lines to make these decisions. But think of how we'll feel if we have Social Security secure for 75 years, if we lift the earnings limit, and if we do something to reduce the deeply troubling rate of poverty among single elderly women, who are growing in numbers at a very rapid rate.

I have told the American people and Members of Congress in both Houses of both parties -- I've met with dozens of them, literally -- that I am ready to make these choices and to make them with them, and it is time to get on with the job. Now, I feel pretty good about where we are with that, because of the initial positive support for setting aside the surplus portion for Social Security. I wanted to come here today to tell you what I said in the Union I was very serious about -- I do not think it is enough. We all know that Medicare is going to have financial trouble well before Social Security does, unless we do something about it.

Now, if you look at -- where is my chart? There it is. [*Laughter*] What I propose is to take 62 percent of the surplus, which you see there for Social Security -- maybe I'll bring it up a little closer. [*Laughter*] You may be able to see it just fine, but I can see better from here. [*Laughter*] And then to take 15 percent, about a little less than $ 1 in every $ 6 of the surplus, and commit it to Medicare.

Now, some of those who agree with us on Social Security do not agree that we should do this. They would use the entire rest of the surplus for tax cuts. I believe we can only meet our responsibility to the future by saving Social Security and Medicare. Now, President Kennedy, who first proposed Medicare, once said, "To govern is to choose." And so we should have a great

national debate about the choices involved in managing this surplus. After all, we haven't had one in 30 years, and it's a little unusual for us.

Yesterday we learned of a proposal that would make a very different choice about what to do with the surplus. The plan would spend well over $ 1 trillion over the next 15 years on a tax proposal that would benefit clearly the wealthiest Americans, who have, I might add, done quite well as the stock market has virtually tripled in the last 6 years. I'm happy about that; we should all be. But we ought to look at this proposal against that background. It would do this before Medicare has been secured and in a way that would prevent us from spending 15 percent of this or investing 15 percent of this surplus in Medicare.

Now, to govern is to choose. I believe that's the wrong choice. I believe this is the right choice. You, the American people, and the United States Congress will have to decide. This is the latest in a rather long series of large and risky tax proposals that we have heard over the years. If we had adopted even one of the large ones, we wouldn't have the surplus we enjoy today.

We cannot return to the old policies of deficit and debt. Quite apart from our obligations to deal with the aging of America, the strength of our economy is premised on our demonstrated discipline and driving down profligate deficit spending, driving down interest rates, getting private investment up, generating opportunities for the American people.

I believe the American people should have tax relief. In a few moments I'll talk a little bit about what I think the best way to do that is. I believe there are things we can and we must do to help families. And I believe our targeted tax cut for the USA account is especially important. I'll say more about it in a moment.

But first of all, anyone who hopes to invest the surplus or to spend it on other programs or to spend it with a tax cut, must first tell America's families: What is your plan to preserve and strengthen Medicare in the 21st century? I was always taught from childhood, as most of you were, that you may want to do a lot of things, but you have to do first things first. To me, Social Security and Medicare, with their looming financial challenges, are the first things, and we have to take care of them first.

I want to work with you to strengthen Medicare. I want to work with the results of the Medicare Commission that Senator Breaux is chairing. In the bipartisan balanced budget we reached in 1997, we extended the life of the Medicare Trust Fund by 10 years. But no one seriously believes this is adequate, particularly with more and more people qualifying for Medicare.

To stabilize Medicare, we should extend its life until 2020. To truly strengthen Medicare for the long term, we will have to take further steps. That means committing a percentage of the surplus to the Trust Fund. It also means committing ourselves to meaningful reforms that will meet the demands of the 21st century.

I am frank to tell you that some people have said, "Well, the President, by committing this amount of money from the surplus to Medicare, to the Trust Fund, is trying to convince people that we can just go on forever without making any changes in Medicare." That is simply not true, and I don't want to pretend that that's true. But neither do I believe we should be in the position of making reforms or changes that we might later regret, simply because we haven't stabilized the Trust Fund when we have the funds to do it. These funds should support meaningful reform and prevent permanent damage to Medicare and to the people who depend upon it and are entitled to rely on it.

So here's what I think we should do, with regard to at least basic principles, as we look forward to the 21st century Medicare program. Did they change the chart? Good. [*Laughter*]

First, Americans should be able to count on Medicare and know it will be there when they need it. I have proposed to use, as I said, about one of every $ 6 in the surplus for the next 15 years to just

simply guarantee the soundness of the Medicare fund until the year 2020. Without these new resources, Medicare spending would have to plummet significantly below the private sector average. No one believes we can have that happen without seriously weakening a program that millions of older Americans need.

Second, Americans on Medicare should be able to count on a modern, competitive system that maintains high-quality care and topnotch service by drawing on the best private sector practices.

Third, Americans on Medicare, especially Americans with lower incomes, should be able to count on a defined set of benefits and protections without having to worry about excessive new costs they can't begin to afford.

Fourth, Americans on Medicare should be able to count on a benefit that many have long waited for and that will actually cut our cost over the long run and lengthen life and lengthen the quality life: prescription drugs.

Now, I believe we ought to use the savings that reforms in Medicare can create to provide this prescription drug benefit. Yes, it will be more costly on the front end, but over the long run it is bound to save money. It will keep people out of the hospital. It will keep people away from more expensive medical procedures. It will lengthen life, and it will lengthen the quality of life.

I want to thank especially Senators Kennedy and Rockefeller for their leadership on this issue. I look forward to working with members of both parties. But keep in mind, within these principles, my view of Medicare is: take 15 percent of the surplus; make sensible reforms; add the prescription drug benefit. All three will be required to truly strengthen Medicare for the 21st century.

Now, as I said before, we know the American people have worked very hard to replace the era of budget deficits with an age of budget surpluses. They deserve to benefit from that, and they deserve some tax relief. The real question is: What kind of tax relief and how much should it be? What are the other competing demands for the country? Again, to govern will be to choose.

I think we should use a percentage of the surplus to give Americans tax relief that strengthens working families, that encourages savings and the sharing of our Nation's wealth among a broader range of Americans. And that is why I have proposed that we set aside -- we're back to the chart now -- 12 percent of the surplus or, over 15 years, $ 536 billion, to establish USA accounts, Universal Savings Accounts, that give working Americans a chance to save for the future. These accounts would basically involve the Government giving a tax credit that would be a cash match for a certain amount of savings by Americans who save, with extra help for Americans who are lower income working families who have less ability to save on their own.

Now, all of you know that when Social Security was set up, it was never viewed as the sole source of income, ideally, for retirees. Although, unfortunately, it still is the sole source of income for a large number of people. We need a country in which we have a sound Social Security system, a sound set of pension options -- and all of you know how the pension marketplace has been changing, from defined benefits to defined contributions -- and we need, thirdly, a vehicle which promotes more private savings.

The USA account is designed to give tax relief -- which, I might add, would be considerably greater tax relief for middle income families than most of the other proposals I've heard that cost a lot more money -- but tax relief in the form that actually promotes personal savings, more secure retirement, and gives people who otherwise would not have it a chance to have a savings account which would give them the opportunity to hook into the creation of wealth in America, and to own a part of America's wealth-creating enterprise. I think it's very, very important.

I have also proposed $ 1,000 tax credit to help pay for the **long-term care** needs of families who are caring for aged, ailing, or disabled family members. We know that **long-term care** needs will

increase. Frankly, I would like this tax credit to be even larger. But I believe if we start now, within our other obligations to fix Social Security and Medicare and the other competing claims and responsibilities of the Government, I believe that this will become an integral part of the way we manage **long-term care** and will be a strong part of a bipartisan American consensus for how we should support **long-term care** over the long run. So I very much hope that will pass.

For middle income families I have also supported tax relief for child care, for work related expenses for disabled Americans, for further tax relief from the interest payments on student loans, and tax relief to businesses which help their employees start retirement programs. We've worked very hard for 6 years to stabilize the existing retirement systems and to facilitate the establishment of retirement programs by more small- and medium-sized businesses for whom the old laws were quite a hassle and a lot of trouble and actually a lot of startup costs, so we're working very hard on that.

Now, this is the kind of tax relief that I think is good for the country. I have proposed tax relief to individuals and corporations who will invest money in areas of high unemployment in America, in inner cities and rural areas, to bring private enterprise to create jobs and to generate more national growth and more national wealth.

This is the first time, at least in 30 years, when we've had a level of prosperity and the resources necessary to actually get free enterprise into the inner-city and rural areas that still have been left behind by the economic expansion. And I hope you will all support that, because, keep in mind, that helps the whole economy. We have to keep finding new ways to grow this economy, even with a low unemployment rate, that doesn't spark inflation. And this is clearly the best way we can.

Now, I think this tax relief is good for America. We can afford it. It is all paid for, all this tax relief I mentioned. Except for the USA accounts, every other bit of this tax relief I mentioned is paid for in the balanced budget. It has nothing to do with this surplus. It will not have anything to do with undermining our fiscal strength.

I simply think we have to use the surplus in a way that honors our most profound responsibilities to our parents, to our children, to our grandchildren. And I think that we cannot waste a penny of it until we have saved Social Security and Medicare for the 21st century.

As I pointed out in the State of the Union Address, there is another enormous benefit that will come from saving the surplus in this way. It will enable us to buy back a lot of the national debt held by the public. And that is very important. Why? In 1981 our total national debt amounted to about 26 percent of our annual income. In 1992 it had quadrupled in dollars, and it was about half our national income. When I got the budget charts, it was projected to go as high as 75 or 80 percent of our national income, a very dangerous situation.

Now, the national debt has dropped from 50 percent down to 44 percent of our income, but if -- if -- we save the money I recommend for Social Security and for Medicare for 15 years, our national debt will drop to 7 percent of our national income. That's the lowest level since 1917, before the United States entered World War I.

Now, what does that mean in practical terms to an average family? It means that we will have lower interest rates, lower home mortgage rates, lower car payment rates, more investment, a dramatic increase in national savings, and more economic growth. It also means that as we have all the financial instability you see around the world -- and I want to make it clear that the financial instability, for example, we saw in Asia came primarily not out of irresponsible Government spending policies -- a lot of those people had balanced budgets -- but there was just turmoil in the financial markets because of banking systems and investment patterns. That undermines our ability to grow, when our trading partners get in trouble.

We need to know that we have some insurance against that sort of trouble here at home, so we can keep plugging ahead, even as we try to help our friends around the world get back on their

feet and start growing again. So this is an enormous insurance policy.

The last thing I want to tell you is this: You can be thinking about what your successors around this table will be debating 15 years from now. Today, when we draw up a budget, the first thing we have to do is take interest payments on the debt off the table. Right? Some of you may own that debt; you may have Government bonds. We've got to pay you before we can do anything.

Today, that takes over 13 cents of every single tax dollar. Fifteen years from now, if we do this, it will take 2 cents of every tax dollar. Once we secure Social Security and Medicare, think what you could do with the difference in tax cuts, or investments in education, or whatever you think it ought to be spent on. This is a very important issue.

So, 7 years ago, I said to you that if we worked together we could leave our children a nation that is stronger, freer, and wealthier than the one we inherited. Today, we actually have the chance to do this. Today, we have a chance to deal with the aging of America, a challenge facing every advanced society on Earth, in a way that is dignified, that has genuine integrity, that will strengthen not only the lives of seniors but will strengthen the lives of their children and grandchildren. It is an enormous opportunity and an enormous responsibility. I ask you to join with me to make sure that our country meets that responsibility.

Thank you, and God bless you.

NOTE: The President spoke at 2 p.m. at the Willard Hotel. In his remarks, he referred to John McManus, national legislative council chair, Joseph Perkins, president, Ester Canja, president-elect, Margaret Dixon, past president, John Rother, legislation and public policy director, and Horace B. Deets, executive director, American Association of Retired Persons (AARP).

LANGUAGE: ENGLISH

LOAD-DATE: March 11, 1999

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CONG. RECORD & EXEC. SUMMARY

Divider Title: _____

Bill Summary & Status for the 106th Congress

Item 2 of 30

PREVIOUS | NEXT
PREVIOUS:ALL | NEXT:ALL
NEW SEARCH | HOME | HELP

H.R.4040
Sponsor: Rep Scarborough, Joe (introduced 3/21/2000)
Related Bills: S.2420
Latest Major Action: 7/27/2000 Cleared for White House
Title: A bill to amend title 5, United States Code, to provide for the establishment of a program under which **long-term care** insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, provide for the correction of retirement coverage errors under chapters 83 and 84 of such title, and for other purposes.

Jump to: Titles, Status, Committees, Related Bill Details, Amendments, Cosponsors, Summary

TITLE(S): (*italics indicate a title for a portion of a bill*)

- SHORT TITLE(S) AS INTRODUCED:
  Long-Term Care Security Act
- SHORT TITLE(S) AS REPORTED TO HOUSE:
  Long-Term Care Security Act
- SHORT TITLE(S) AS PASSED HOUSE:
  Long-Term Care Security Act
- SHORT TITLE(S) AS PASSED SENATE:
  Long-Term Care Security Act
  Federal Erroneous Retirement Coverage Corrections Act
- OFFICIAL TITLE AS INTRODUCED:
  To amend title 5, United States Code, to provide for the establishment of a program under which **long-term care** insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes.
- OFFICIAL TITLE AS AMENDED BY SENATE:
  A bill to amend title 5, United States Code, to provide for the establishment of a program under which **long-term care** insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, provide for the correction of retirement coverage errors under chapters 83 and 84 of such title, and for other purposes.

STATUS: (*color indicates Senate actions*)

3/21/2000:
Referred to the Committee on Government Reform, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
3/21/2000:
Referred to House Government Reform
3/21/2000:
Referred to the Subcommittee on Civil Service.
3/22/2000:

Subcommittee Consideration and Mark-up Session Held.

3/22/2000:
Forwarded by Subcommittee to Full Committee (Amended) by Voice Vote.

3/30/2000:
Committee Consideration and Mark-up Session Held.

3/30/2000:
Ordered to be Reported by Voice Vote.

3/21/2000:
Referred to House Armed Services

5/8/2000 6:51pm:
Reported (Amended) by the Committee on Government Reform. H. Rept. 106-610, Part I.

5/8/2000 6:52pm:
Committee on Armed Services discharged.

5/8/2000 6:52pm:
Placed on the Union Calendar, Calendar No. 333.

5/9/2000 11:55am:
Mr. Scarborough moved to suspend the rules and pass the bill, as amended.

5/9/2000 11:56am:
Considered under suspension of the rules. (consideration: CR H2667-2675)

5/9/2000 12:37pm:
On motion to suspend the rules and pass the bill, as amended Agreed to by voice vote. (text: CR H2668-2670)

5/9/2000 12:37pm:
Motion to reconsider laid on the table Agreed to without objection.

5/10/2000:
Received in the Senate and Read twice and referred to the Committee on Governmental Affairs.

5/11/2000:
Referred to Subcommittee on International Security, Proliferation and Federal Services.

7/25/2000:
Senate Committee on Governmental Affairs discharged by Unanimous Consent.

7/25/2000:
Measure laid before Senate by unanimous consent. (consideration: CR S7581-7582)

7/25/2000:
Senate struck all after the Enacting Clause and substituted the language of S. 2420 amended.

7/25/2000:
Passed Senate in lieu of S 2420 with an amendment and an amendment to the Title by Unanimous Consent.

7/26/2000:
Message on Senate action sent to the House.

7/27/2000 6:00pm:
Mr. Scarborough asked unanimous consent that the House agree with amendments to the Senate amendments.

7/27/2000 6:03pm:
On motion that the House agree with amendments to the Senate amendments Agreed to without objection.

7/27/2000 6:06pm:
Motion to reconsider laid on the table Agreed to without objection.

7/27/2000:
Senate agreed to the House amendments to the Senate amendments to the bill by Unanimous Consent. (consideration: CR S7802; text as Senate agreed to House amendments to the Senate amendment: CR S7802)

7/27/2000:
Cleared for White House.

7/28/2000:
Message on Senate action sent to the House.

COMMITTEE(S):

Committee/Subcommittee:	Activity:
House Armed Services	Referral, Discharged
House Government Reform	Referral, Reporting
Subcommittee on Civil Service	Referral, Reporting
Senate Governmental Affairs	Referral, Discharged
Subcommittee on International Security, Proliferation and Federal Services	Referral

RELATED BILL DETAILS: (additional related bills may be indentified in Status)

Bill:	Relationship:
S.2420	H.R.4040 passed in Senate in lieu of this bill
S.2420	Related bill as identified by the House Clerk's office
S.2420	Text from this bill was inserted in H.R.4040

AMENDMENT(S):

NONE

COSPONSORS(28), ALPHABETICAL [followed by Cosponsors withdrawn]: (Sort: by date)

Rep Allen, Thomas H. - 3/21/2000	Rep Blumenauer, Earl - 3/29/2000
Rep Calvert, Ken - 5/4/2000	Rep Cummings, Elijah E. - 3/21/2000
Rep Danner, Pat - 4/5/2000	Rep Davis, Thomas M. - 3/23/2000
Rep English, Phil - 4/13/2000	Rep Foley, Mark - 4/13/2000
Rep Frost, Martin - 4/5/2000	Rep Gilman, Benjamin A. - 3/30/2000
Rep Hall, Tony P. - 3/29/2000	Rep Kasich, John R. - 4/5/2000
Rep Lipinski, William O. - 4/13/2000	Rep McCollum, Bill - 3/29/2000
Rep McHugh, John M. - 3/29/2000	Rep McIntosh, David M. - 5/8/2000
Rep Mica, John L. - 3/21/2000	Rep Miller, Dan - 3/21/2000
Rep Moran, James P. - 3/29/2000	Rep Morella, Constance A. - 3/23/2000
Rep Nadler, Jerrold - 5/2/2000	Rep Norton, Eleanor Holmes - 3/21/2000
Rep Ose, Doug - 3/29/2000	Rep Pallone, Frank, Jr. - 4/6/2000
Rep Petri, Thomas E. - 4/10/2000	Rep Saxton, Jim - 4/13/2000
Rep Wamp, Zach - 5/2/2000	Rep Weldon, Dave - 4/10/2000

SUMMARY AS OF:
3/21/2000--Introduced.

Long-Term Care Security Act - Amends Federal civil service provisions to direct the Office of Personnel Management (OPM) to establish and administer a program through which Federal employees

and annuitants, current and retired members of the uniformed services, and their qualified relatives may obtain **long-term care** insurance through a qualified carrier (a company licensed to issue such insurance in all States).

Directs OPM, without regard to statutes requiring competitive bidding, to contract with one or more qualified carriers to provide such insurance. Sets forth contract **terms** and conditions, including that the carrier participate in an administrative process to settle claim disputes. Provides for seven-year contracts. Requires OPM, after a certain period, to recommend to specified congressional committees whether the insurance program should be continued. Requires each master insurance contract to include full portability of benefits.

Makes insured individuals responsible for 100 percent of the charges of coverage and allows individuals to have amounts withheld from pay for their coverage and coverage for qualified relatives. Requires each carrier to maintain a separate accounting of premium amounts received.

Provides that contract **terms** for coverage or benefits under this Act shall preempt State and local law relating to **long-term care** insurance or contracts.

Requires qualified carriers to furnish reasonable reports and permit audits. Requires two reports from the General Accounting Office to OPM and each House of Congress evaluating the insurance program.

Provides jurisdiction for disputed claims through U.S. district courts after exhausting all available administrative remedies.

--H.R.4040--

H.R.4040

One Hundred Sixth Congress

of the

United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday,

the twenty-fourth day of January, two thousand

An Act

To amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, provide for the correction of retirement coverage errors under chapters 83 and 84 of such title, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I--FEDERAL LONG-TERM CARE INSURANCE

SEC. 1001. SHORT TITLE.

This title may be cited as the `Long-Term Care Security Act'.

SEC. 1002. LONG-TERM CARE INSURANCE.

(a) IN GENERAL- Subpart G of part III of title 5, United States Code, is amended by adding at the end the following:

`CHAPTER 90--LONG-TERM CARE INSURANCE

`9009. Cost accounting standards.

`Sec. 9001. Definitions

For purposes of this chapter:

`(1) EMPLOYEE- The term `employee' means--

`(A) an employee as defined by section 8901(1);

`(B) an individual described in section 2105(e); and

`(C) an individual employed by the Tennessee Valley Authority,

but does not include an individual employed by the government of the District of Columbia.

`(2) ANNUITANT- The term `annuitant' has the meaning such term would have under paragraph (3) of section 8901 if, for purposes of such paragraph, the term `employee' were considered to have the meaning given to it under paragraph (1) of this subsection.

`(3) MEMBER OF THE UNIFORMED SERVICES- The term `member of the uniformed services' means a member of the uniformed services, other than a retired member of the uniformed services, who is--

`(A) on active duty or full-time National Guard duty for a period of more than 30 days; and

`(B) a member of the Selected Reserve.

`(4) RETIRED MEMBER OF THE UNIFORMED SERVICES- The term `retired member of the uniformed services' means a member or former member of the uniformed services entitled to retired or retainer pay, including a member or former member retired under chapter 1223 of title 10 who has attained the age of 60 and who satisfies such eligibility requirements as the Office of Personnel Management prescribes under section 9008.

`(5) QUALIFIED RELATIVE- The term `qualified relative' means each of the following:

`(A) The spouse of an individual described in paragraph (1), (2), (3), or (4).

`(B) A parent, stepparent, or parent-in-law of an individual described in paragraph (1) or (3).

`(C) A child (including an adopted child, a stepchild, or, to the extent the Office of Personnel Management by regulation provides, a foster child) of an individual described in paragraph (1), (2), (3), or (4), if such child is at least 18 years of age.

`(D) An individual having such other relationship to an individual described in paragraph (1), (2), (3), or (4) as the Office may by regulation prescribe.

`(6) ELIGIBLE INDIVIDUAL- The term `eligible individual' refers to an individual described in paragraph (1), (2), (3), (4), or (5).

`(7) QUALIFIED CARRIER- The term `qualified carrier' means an insurance company (or consortium of insurance companies) that is licensed to issue long-term care insurance in all States, taking any subsidiaries of such a company into account (and, in the case of a consortium, considering the member companies and any subsidiaries thereof, collectively).

`(8) STATE- The term `State' includes the District of Columbia.

`(9) QUALIFIED LONG-TERM CARE INSURANCE CONTRACT- The term `qualified long-term care insurance contract' has the meaning given such term by section 7702B of the Internal Revenue Code of 1986.

`(10) APPROPRIATE SECRETARY- The term `appropriate Secretary' means--

`(A) except as otherwise provided in this paragraph, the Secretary of Defense;

`(B) with respect to the Coast Guard when it is not operating as a service of the Navy, the Secretary of Transportation;

`(C) with respect to the commissioned corps of the National Oceanic and Atmospheric Administration, the Secretary of Commerce; and

`(D) with respect to the commissioned corps of the Public Health Service, the Secretary of Health and Human Services.

`Sec. 9002. Availability of insurance

`(a) IN GENERAL- The Office of Personnel Management shall establish and, in consultation with the appropriate Secretaries, administer a program through which an individual described in paragraph (1), (2), (3), (4), or (5) of section 9001 may obtain long-term care insurance coverage under this chapter for such individual.

`(b) GENERAL REQUIREMENTS- Long-term care insurance may not be offered under this chapter unless--

`(1) the only coverage provided is under qualified long-term care insurance contracts; and

`(2) each insurance contract under which any such coverage is provided is issued by a qualified carrier.

`(c) DOCUMENTATION REQUIREMENT- As a condition for obtaining long-term care insurance coverage under this chapter based on one's status as a qualified relative, an applicant shall provide documentation to demonstrate the relationship, as prescribed by the Office.

`(d) UNDERWRITING STANDARDS-

`(1) DISQUALIFYING CONDITION- Nothing in this chapter shall be considered to require that long-term care insurance coverage be made available in the case of any individual who would be eligible for benefits immediately.

`(2) SPOUSAL PARITY- For the purpose of underwriting standards, a spouse of an individual described in paragraph (1), (2), (3), or (4) of section 9001 shall, as nearly as practicable, be treated like that individual.

`(3) GUARANTEED ISSUE- Nothing in this chapter shall be considered to require that long-term care insurance coverage be guaranteed to an eligible individual.

`(4) REQUIREMENT THAT CONTRACT BE FULLY INSURED- In addition to the requirements otherwise applicable under section 9001(9), in order to be considered a qualified long-term care insurance contract for purposes of this chapter, a contract must be fully insured, whether through reinsurance with other companies or otherwise.

`(5) HIGHER STANDARDS ALLOWABLE- Nothing in this chapter shall, in the case of an individual applying for long-term care insurance coverage under this chapter after the expiration of such individual's first opportunity to enroll, preclude the application of underwriting standards more stringent than those that would have applied if that opportunity had not yet expired.

`(e) GUARANTEED RENEWABILITY- The benefits and coverage made available to eligible individuals under any insurance contract under this chapter shall be guaranteed renewable (as defined by section 7A(2) of the model regulations described in section 7702B(g)(2) of the Internal Revenue Code of 1986), including the right to have insurance remain in effect so long as premiums continue to be timely made. However, the authority to revise premiums under this chapter shall be available only on a class basis and only to the extent otherwise allowable under section 9003(b).

`Sec. 9003. Contracting authority

`(a) IN GENERAL- The Office of Personnel Management shall, without regard to section 5 of title 41 or any other statute requiring competitive bidding, contract with one or more qualified carriers for a policy or policies of long-term care insurance. The Office shall ensure that each resulting contract (hereafter in this chapter referred to as a `master contract') is awarded on the basis of contractor qualifications, price, and reasonable competition.

`(b) TERMS AND CONDITIONS-

`(1) IN GENERAL- Each master contract under this chapter shall contain--

`(A) a detailed statement of the benefits offered (including any maximums, limitations, exclusions, and other definitions of benefits);

`(B) the premiums charged (including any limitations or other conditions on their subsequent adjustment);

`(C) the terms of the enrollment period; and

`(D) such other terms and conditions as may be mutually agreed to by the Office and the carrier involved, consistent with the requirements of this chapter.

`(2) PREMIUMS- Premiums charged under each master contract entered into under this section shall reasonably and equitably reflect the cost of the benefits provided, as determined by the Office. The premiums shall not be adjusted during the term of the contract unless mutually agreed to by the Office and the carrier.

`(3) NONRENEWABILITY- Master contracts under this chapter may not be made automatically renewable.

`(c) PAYMENT OF REQUIRED BENEFITS; DISPUTE RESOLUTION-

`(1) IN GENERAL- Each master contract under this chapter shall require the carrier to agree--

`(A) to provide payments or benefits to an eligible individual if such individual is entitled thereto under the terms of the contract; and

`(B) with respect to disputes regarding claims for payments or benefits under the terms of the contract--

`(i) to establish internal procedures designed to expeditiously resolve such

disputes; and

`(ii) to establish, for disputes not resolved through procedures under clause (i), procedures for one or more alternative means of dispute resolution involving independent third-party review under appropriate circumstances by entities mutually acceptable to the Office and the carrier.

`(2) ELIGIBILITY- A carrier's determination as to whether or not a particular individual is eligible to obtain long-term care insurance coverage under this chapter shall be subject to review only to the extent and in the manner provided in the applicable master contract.

`(3) OTHER CLAIMS- For purposes of applying the Contract Disputes Act of 1978 to disputes arising under this chapter between a carrier and the Office--

`(A) the agency board having jurisdiction to decide an appeal relative to such a dispute shall be such board of contract appeals as the Director of the Office of Personnel Management shall specify in writing (after appropriate arrangements, as described in section 8(c) of such Act); and

`(B) the district courts of the United States shall have original jurisdiction, concurrent with the United States Court of Federal Claims, of any action described in section 10(a)(1) of such Act relative to such a dispute.

`(4) RULE OF CONSTRUCTION- Nothing in this chapter shall be considered to grant authority for the Office or a third-party reviewer to change the terms of any contract under this chapter.

`(d) DURATION-

`(1) IN GENERAL- Each master contract under this chapter shall be for a term of 7 years, unless terminated earlier by the Office in accordance with the terms of such contract. However, the rights and responsibilities of the enrolled individual, the insurer, and the Office (or duly designated third-party administrator) under such contract shall continue with respect to such individual until the termination of coverage of the enrolled individual or the effective date of a successor contract thereto.

`(2) EXCEPTION-

`(A) SHORTER DURATION- In the case of a master contract entered into before the end of the period described in subparagraph (B), paragraph (1) shall be applied by substituting `ending on the last day of the 7-year period described in paragraph (2)(B)' for `of 7 years'.

`(B) DEFINITION- The period described in this subparagraph is the 7-year period beginning on the earliest date as of which any long-term care insurance coverage under this chapter becomes effective.

`(3) CONGRESSIONAL NOTIFICATION- No later than 180 days after receiving the second report required under section 9006(c), the President (or his designee) shall submit to the Committees on Government Reform and on Armed Services of the House of Representatives and the Committees on Governmental Affairs and on Armed Services of the Senate, a written recommendation as to whether the program under this chapter should be continued without modification, terminated, or restructured. During the 180-day period following the date on which the President (or his designee) submits the recommendation required under the preceding sentence, the Office of Personnel Management may not take any steps to rebid or otherwise contract for any coverage to be available at any time following the expiration of the 7-year period described in paragraph (2)(B).

`(4) FULL PORTABILITY- Each master contract under this chapter shall include such provisions as may be necessary to ensure that, once an individual becomes duly enrolled, long-term care insurance coverage obtained by such individual pursuant to that enrollment shall not be terminated due to any change in status (such as separation from Government service or the uniformed services) or ceasing to meet the requirements for being considered a qualified relative (whether as a result of dissolution of marriage or otherwise).

`Sec. 9004. Financing

`(a) IN GENERAL- Each eligible individual obtaining long-term care insurance coverage under this chapter shall be responsible for 100 percent of the premiums for such coverage.

`(b) WITHHOLDINGS-

`(1) IN GENERAL- The amount necessary to pay the premiums for enrollment may--

`(A) in the case of an employee, be withheld from the pay of such employee;

`(B) in the case of an annuitant, be withheld from the annuity of such annuitant;

`(C) in the case of a member of the uniformed services described in section 9001(3), be withheld from the pay of such member; and

`(D) in the case of a retired member of the uniformed services described in section 9001(4), be withheld from the retired pay or retainer pay payable to such member.

`(2) VOLUNTARY WITHHOLDINGS FOR QUALIFIED RELATIVES- Withholdings to pay the premiums for enrollment of a qualified relative may, upon election of the appropriate eligible individual (described in section 9001(1)-(4)), be withheld under paragraph (1) to the same extent and in the same manner as if enrollment were for such individual.

`(c) DIRECT PAYMENTS- All amounts withheld under this section shall be paid directly to the carrier.

`(d) OTHER FORMS OF PAYMENT- Any enrollee who does not elect to have premiums withheld under subsection (b) or whose pay, annuity, or retired or retainer pay (as referred to in subsection (b)(1)) is insufficient to cover the withholding required for enrollment (or who is not receiving any regular amounts from the Government, as referred to in subsection (b)(1), from which any such withholdings may be made, and whose premiums are not otherwise being provided for under subsection (b)(2)) shall pay an amount equal to the full amount of those charges directly to the carrier.

`(e) SEPARATE ACCOUNTING REQUIREMENT- Each carrier participating under this chapter shall maintain records that permit it to account for all amounts received under this chapter (including investment earnings on those amounts) separate and apart from all other funds.

`(f) REIMBURSEMENTS-

`(1) REASONABLE INITIAL COSTS-

`(A) IN GENERAL- The Employees' Life Insurance Fund is available, without fiscal year limitation, for reasonable expenses incurred by the Office of Personnel Management in administering this chapter before the start of the 7-year period described in section 9003(d)(2)(B), including reasonable implementation costs.

`(B) REIMBURSEMENT REQUIREMENT- Such Fund shall be reimbursed, before the end of the first year of that 7-year period, for all amounts obligated or expended under subparagraph (A) (including lost investment income). Such reimbursement shall be made by carriers, on a pro rata basis, in accordance with appropriate provisions which shall be included in master contracts under this chapter.

`(2) SUBSEQUENT COSTS-

`(A) IN GENERAL- There is hereby established in the Employees' Life Insurance Fund a Long-Term Care Administrative Account, which shall be available to the Office, without fiscal year limitation, to defray reasonable expenses incurred by the Office in administering this chapter after the start of the 7-year period described in section 9003(d)(2)(B).

`(B) REIMBURSEMENT REQUIREMENT- Each master contract under this chapter shall include appropriate provisions under which the carrier involved shall, during each year, make such periodic contributions to the Long-Term Care Administrative Account as necessary to ensure that the reasonable anticipated expenses of the Office in administering this chapter during such year (adjusted to reconcile for any earlier overestimates or underestimates under this subparagraph) are defrayed.

`Sec. 9005. Preemption

`The terms of any contract under this chapter which relate to the nature, provision, or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to long-term care insurance or contracts.

`Sec. 9006. Studies, reports, and audits

`(a) PROVISIONS RELATING TO CARRIERS- Each master contract under this chapter shall contain provisions requiring the carrier--

`(1) to furnish such reasonable reports as the Office of Personnel Management determines to be necessary to enable it to carry out its functions under this chapter; and

`(2) to permit the Office and representatives of the General Accounting Office to examine such records of the carrier as may be necessary to carry out the purposes of this chapter.

`(b) PROVISIONS RELATING TO FEDERAL AGENCIES- Each Federal agency shall keep such records, make such certifications, and furnish the Office, the carrier, or both, with such information and reports as the Office may require.

`(c) REPORTS BY THE GENERAL ACCOUNTING OFFICE- The General Accounting Office shall prepare and submit to the President, the Office of Personnel Management, and each House of Congress, before the end of the third and fifth years during which the program under this chapter is in effect, a written report evaluating such program. Each such report shall include an analysis of the competitiveness of the program, as compared to both group and individual coverage generally available to individuals in the private insurance market. The Office shall cooperate with the General Accounting Office to provide periodic evaluations of the program.

`Sec. 9007. Jurisdiction of courts

`The district courts of the United States have original jurisdiction of a civil action or claim described in paragraph (1) or (2) of section 9003(c), after such administrative remedies as required under such paragraph (1) or (2) (as applicable) have been exhausted, but only to the extent judicial review is not precluded by any dispute resolution or other remedy under this chapter.

`Sec. 9008. Administrative functions

`(a) IN GENERAL- The Office of Personnel Management shall prescribe regulations necessary to carry out this chapter.

`(b) ENROLLMENT PERIODS- The Office shall provide for periodic coordinated enrollment, promotion, and education efforts in consultation with the carriers.

`(c) CONSULTATION- Any regulations necessary to effect the application and operation of this chapter with respect to an eligible individual described in paragraph (3) or (4) of section 9001, or a qualified relative thereof, shall be prescribed by the Office in consultation with the appropriate Secretary.

`(d) INFORMED DECISIONMAKING- The Office shall ensure that each eligible individual applying for long-term care insurance under this chapter is furnished the information necessary to enable that individual to evaluate the advantages and disadvantages of obtaining long-term care insurance under this chapter, including the following:

`(1) The principal long-term care benefits and coverage available under this chapter, and how those benefits and coverage compare to the range of long-term care benefits and coverage otherwise generally available.

`(2) Representative examples of the cost of long-term care, and the sufficiency of the benefits available under this chapter relative to those costs. The information under this paragraph shall also include--

`(A) the projected effect of inflation on the value of those benefits; and

`(B) a comparison of the inflation-adjusted value of those benefits to the projected future costs of long-term care.

`(3) Any rights individuals under this chapter may have to cancel coverage, and to receive a total or partial refund of premiums. The information under this paragraph shall also include--

`(A) the projected number or percentage of individuals likely to fail to maintain their coverage (determined based on lapse rates experienced under similar group long-term care insurance programs and, when available, this chapter); and

`(B)(i) a summary description of how and when premiums for long-term care insurance under this chapter may be raised;

`(ii) the premium history during the last 10 years for each qualified carrier offering long-term care insurance under this chapter; and

`(iii) if cost increases are anticipated, the projected premiums for a typical insured individual at various ages.

`(4) The advantages and disadvantages of long-term care insurance generally, relative to other means of accumulating or otherwise acquiring the assets that may be needed to meet the costs of long-term care, such as through tax-qualified retirement programs or other investment vehicles.

`Sec. 9009. Cost accounting standards

`The cost accounting standards issued pursuant to section 26(f) of the Office of Federal

Procurement Policy Act (41 U.S.C. 422(f)) shall not apply with respect to a long-term care insurance contract under this chapter.'.

(b) CONFORMING AMENDMENT- The analysis for part III of title 5, United States Code, is amended by adding at the end of subpart G the following:

'90. Long-Term Care Insurance

--9001.'.

SEC. 1003. EFFECTIVE DATE.

The Office of Personnel Management shall take such measures as may be necessary to ensure that long-term care insurance coverage under title 5, United States Code, as amended by this title, may be obtained in time to take effect not later than the first day of the first applicable pay period of the first fiscal year which begins after the end of the 18-month period beginning on the date of the enactment of this Act.

TITLE II--FEDERAL RETIREMENT COVERAGE ERRORS CORRECTION

SEC. 2001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE- This title may be cited as the 'Federal Erroneous Retirement Coverage Corrections Act'.

(b) TABLE OF CONTENTS- The table of contents for this title is as follows:

TITLE II--FEDERAL RETIREMENT COVERAGE ERRORS CORRECTION

Subtitle A--Description of Retirement Coverage Errors to Which This Title Applies and Measures for Their Rectification

Chapter 1--Employees and Annuitants Who Should Have Been FERS Covered, but Who Were Erroneously CSRS Covered or CSRS-Offset Covered Instead, and Survivors of Such Employees and Annuitants

Chapter 2--Employee Who Should Have Been FERS Covered, CSRS-Offset Covered, or CSRS Covered, but Who Was Erroneously Social Security-Only Covered Instead

Chapter 3--Employee Who Should or Could Have Been Social Security-Only Covered but Who Was Erroneously CSRS-Offset Covered or CSRS Covered Instead

Sec. 2121. Employee who should be Social Security-Only covered, but who is erroneously CSRS or CSRS-Offset covered instead.

Chapter 4--Employee Who Was Erroneously FERS Covered

Sec. 2131. Employee who should be Social Security-Only covered, CSRS covered, or CSRS-Offset covered and is not FERS-Eligible, but who is erroneously FERS covered instead.

Sec. 2132. FERS-Eligible employee who should have been CSRS covered, CSRS-Offset covered, or Social Security-Only covered, but who was erroneously FERS covered instead without an election.

Sec. 2133. Retroactive effect.

Chapter 5--Employee Who Should Have Been CSRS-Offset Covered, but Who Was Erroneously CSRS Covered Instead

Sec. 2141. Applicability.

Sec. 2142. Correction mandatory.

Chapter 6--Employee Who Should Have Been CSRS Covered, but Who Was Erroneously CSRS-Offset Covered Instead

Sec. 2151. Applicability.

Sec. 2152. Correction mandatory.

Subtitle B--General Provisions

Sec. 2201. Identification and notification requirements.

Sec. 2202. Information to be furnished to and by authorities administering this title.

Sec. 2203. Service credit deposits.

Sec. 2204. Provisions related to Social Security coverage of misclassified employees.

Sec. 2205. Thrift Savings Plan treatment for certain individuals.

Sec. 2206. Certain agency amounts to be paid into or remain in the CSRDF.

Sec. 2207. CSRS coverage determinations to be approved by OPM.

Sec. 2208. Discretionary actions by Director.

Sec. 2209. Regulations.

Subtitle C--Other Provisions

Sec. 2301. Provisions to authorize continued conformity of other Federal retirement systems.

Sec. 2302. Authorization of payments.

Sec. 2303. Individual right of action preserved for amounts not otherwise provided for under this title.

Subtitle D--Effective Date

Sec. 2401. Effective date.

SEC. 2002. DEFINITIONS.

For purposes of this title:

(1) ANNUITANT- The term `annuitant' has the meaning given such term under section 8331(9) or 8401(2) of title 5, United States Code.

(2) CSRS- The term `CSRS' means the Civil Service Retirement System.

(3) CSRDF- The term `CSRDF' means the Civil Service Retirement and Disability Fund.

(4) CSRS COVERED- The term `CSRS covered', with respect to any service, means service that is subject to the provisions of subchapter III of chapter 83 of title 5, United States Code, other than service subject to section 8334(k) of such title.

(5) CSRS-OFFSET COVERED- The term `CSRS-Offset covered', with respect to any service, means service that is subject to the provisions of subchapter III of chapter 83 of title 5, United States Code, and to section 8334(k) of such title.

(6) EMPLOYEE- The term `employee' has the meaning given such term under section 8331(1) or 8401(11) of title 5, United States Code.

(7) EXECUTIVE DIRECTOR- The term `Executive Director of the Federal Retirement Thrift Investment Board' or `Executive Director' means the Executive Director appointed under section 8474 of title 5, United States Code.

(8) FERS- The term `FERS' means the Federal Employees' Retirement System.

(9) FERS COVERED- The term `FERS covered', with respect to any service, means service that is subject to chapter 84 of title 5, United States Code.

(10) FORMER EMPLOYEE- The term `former employee' means an individual who was an employee, but who is not an annuitant.

(11) OASDI TAXES- The term `OASDI taxes' means the OASDI employee tax and the OASDI employer tax.

(12) OASDI EMPLOYEE TAX- The term `OASDI employee tax' means the tax imposed under section 3101(a) of the Internal Revenue Code of 1986 (relating to Old-Age, Survivors and Disability Insurance).

(13) OASDI EMPLOYER TAX- The term `OASDI employer tax' means the tax imposed under section 3111(a) of the Internal Revenue Code of 1986 (relating to Old-Age, Survivors and Disability Insurance).

(14) OASDI TRUST FUNDS- The term `OASDI trust funds' means the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

(15) OFFICE- The term `Office' means the Office of Personnel Management.

(16) RETIREMENT COVERAGE DETERMINATION- The term `retirement coverage determination' means a determination by an employee or agent of the Government as to whether a particular type of Government service is CSRS covered, CSRS-Offset covered, FERS covered, or Social Security-Only covered.

(17) RETIREMENT COVERAGE ERROR- The term `retirement coverage error' means an erroneous retirement coverage determination that was in effect for a minimum period of 3 years of service after December 31, 1986.

(18) SOCIAL SECURITY-ONLY COVERED- The term `Social Security-Only covered', with respect to any service, means Government service that--

(A) constitutes employment under section 210 of the Social Security Act (42 U.S.C. 410); and

(B)(i) is subject to OASDI taxes; but

(ii) is not subject to CSRS or FERS.

(19) SURVIVOR- The term `survivor' has the meaning given such term under section 8331(10) or 8401(28) of title 5, United States Code.

(20) THRIFT SAVINGS FUND- The term `Thrift Savings Fund' means the Thrift Savings Fund established under section 8437 of title 5, United States Code.

SEC. 2003. APPLICABILITY.

(a) IN GENERAL- This title shall apply with respect to retirement coverage errors that occur before, on, or after the date of the enactment of this Act.

(b) LIMITATION- Except as otherwise provided in this title, this title shall not apply to any erroneous retirement coverage determination that was in effect for a period of less than 3 years of service after December 31, 1986.

SEC. 2004. IRREVOCABILITY OF ELECTIONS.

Any election made (or deemed to have been made) by an employee or any other individual under this title shall be irrevocable.

Subtitle A--Description of Retirement Coverage Errors to Which This Title Applies and Measures for Their Rectification

CHAPTER 1--EMPLOYEES AND ANNUITANTS WHO SHOULD HAVE BEEN FERS COVERED, BUT WHO WERE ERRONEOUSLY CSRS COVERED OR CSRS-OFFSET COVERED INSTEAD, AND SURVIVORS OF SUCH EMPLOYEES AND ANNUITANTS

SEC. 2101. EMPLOYEES.

(a) APPLICABILITY- This section shall apply in the case of any employee or former employee who should be (or should have been) FERS covered but, as a result of a retirement coverage error,

is (or was) CSRS covered or CSRS-Offset covered instead.

(b) UNCORRECTED ERROR-

(1) APPLICABILITY- This subsection applies if the retirement coverage error has not been corrected before the effective date of the regulations described under paragraph (3). As soon as practicable after discovery of the error, and subject to the right of an election under paragraph (2), if CSRS covered or CSRS-Offset covered, such individual shall be treated as CSRS-Offset covered, retroactive to the date of the retirement coverage error.

(2) COVERAGE-

(A) ELECTION- Upon written notice of a retirement coverage error, an individual may elect to be CSRS-Offset covered or FERS covered, effective as of the date of the retirement coverage error. Such election shall be made not later than 180 days after the date of receipt of such notice.

(B) NONELECTION- If the individual does not make an election by the date provided under subparagraph (A), a CSRS-Offset covered individual shall remain CSRS-Offset covered and a CSRS covered individual shall be treated as CSRS-Offset covered.

(3) REGULATIONS- The Office shall prescribe regulations to carry out this subsection.

(c) CORRECTED ERROR-

(1) APPLICABILITY- This subsection applies if the retirement coverage error was corrected before the effective date of the regulations described under subsection (b).

(2) COVERAGE-

(A) ELECTION-

(i) CSRS-OFFSET COVERED- Not later than 180 days after the date of the enactment of this Act, the Office shall prescribe regulations authorizing individuals to elect, during the 18-month period immediately following the effective date of such regulations, to be CSRS-Offset covered, effective as of the date of the retirement coverage error.

(ii) THRIFT SAVINGS FUND CONTRIBUTIONS- If under this section an individual elects to be CSRS-Offset covered, all employee contributions to the Thrift Savings Fund made during the period of FERS coverage (and earnings on such contributions) may remain in the Thrift Savings Fund in accordance with regulations prescribed by the Executive Director, notwithstanding any limit under title 5, United States Code, that would otherwise be applicable.

(B) PREVIOUS SETTLEMENT PAYMENT- An individual who previously received a payment ordered by a court or provided as a settlement of claim for losses resulting from a retirement coverage error shall not be entitled to make an election under this subsection unless that amount is waived in whole or in part under section 2208, and any amount not waived is repaid.

(C) INELIGIBILITY FOR ELECTION- An individual who, subsequent to correction of the retirement coverage error, received a refund of retirement deductions under section 8424 of title 5, United States Code, or a distribution under section 8433(b), (c), or (h)(1)(A) of title 5, United States Code, may not make an election under this subsection.

(3) CORRECTIVE ACTION TO REMAIN IN EFFECT- If an individual is ineligible to make an election or does not make an election under paragraph (2) before the end of any time limitation under this subsection, the corrective action taken before such time limitation shall remain in effect.

SEC. 2102. ANNUITANTS AND SURVIVORS.

(a) IN GENERAL- This section shall apply in the case of an individual who is--

(1) an annuitant who should have been FERS covered but, as a result of a retirement coverage error, was CSRS covered or CSRS-Offset covered instead; or

(2) a survivor of an employee who should have been FERS covered but, as a result of a retirement coverage error, was CSRS covered or CSRS-Offset covered instead.

(b) COVERAGE-

(1) ELECTION- Not later than 180 days after the date of the enactment of this Act, the Office shall prescribe regulations authorizing an individual described under subsection (a) to elect CSRS-Offset coverage or FERS coverage, effective as of the date of the retirement coverage error.

(2) TIME LIMITATION- An election under this subsection shall be made not later than 18 months after the effective date of the regulations prescribed under paragraph (1).

(3) REDUCED ANNUITY-

(A) AMOUNT IN ACCOUNT- If the individual elects CSRS-Offset coverage, the amount in the employee's Thrift Savings Fund account under subchapter III of chapter 84 of title 5, United States Code, on the date of retirement that represents the Government's contributions and earnings on those contributions (whether or not such amount was subsequently distributed from the Thrift Savings Fund) will form the basis for a reduction in the individual's annuity, under regulations prescribed by the Office.

(B) REDUCTION- The reduced annuity to which the individual is entitled shall be equal to an amount which, when taken together with the amount referred to in subparagraph (A), would result in the present value of the total being actuarially equivalent to the present value of an unreduced CSRS-Offset annuity that would have been provided the individual.

(4) REDUCED BENEFIT- If--

(A) a surviving spouse elects CSRS-Offset benefits; and

(B) a FERS basic employee death benefit under section 8442(b) of title 5, United States Code, was previously paid,

then the survivor's CSRS-Offset benefit shall be subject to a reduction, under regulations prescribed by the Office. The reduced annuity to which the individual is entitled shall be equal to an amount which, when taken together with the amount of the payment referred to under subparagraph (B) would result in the present value of the total being actuarially equivalent to the present value of an unreduced CSRS-Offset annuity that would have been provided the individual.

(5) PREVIOUS SETTLEMENT PAYMENT- An individual who previously received a

payment ordered by a court or provided as a settlement of claim for losses resulting from a retirement coverage error may not make an election under this subsection unless repayment of that amount is waived in whole or in part under section 2208, and any amount not waived is repaid.

(c) NONELECTION- If the individual does not make an election under subsection (b) before any time limitation under this section, the retirement coverage shall be subject to the following rules:

(1) CORRECTIVE ACTION PREVIOUSLY TAKEN- If corrective action was taken before the end of any time limitation under this section, that corrective action shall remain in effect.

(2) CORRECTIVE ACTION NOT PREVIOUSLY TAKEN- If corrective action was not taken before such time limitation, the employee shall be CSRS-Offset covered, retroactive to the date of the retirement coverage error.

CHAPTER 2--EMPLOYEE WHO SHOULD HAVE BEEN FERS COVERED, CSRS-OFFSET COVERED, OR CSRS COVERED, BUT WHO WAS ERRONEOUSLY SOCIAL SECURITY-ONLY COVERED INSTEAD

SEC. 2111. APPLICABILITY.

This chapter shall apply in the case of any employee who--

(1) should be (or should have been) FERS covered but, as a result of a retirement coverage error, is (or was) Social Security-Only covered instead;

(2) should be (or should have been) CSRS-Offset covered but, as a result of a retirement coverage error, is (or was) Social Security-Only covered instead; or

(3) should be (or should have been) CSRS covered but, as a result of a retirement coverage error, is (or was) Social Security-Only covered instead.

SEC. 2112. CORRECTION MANDATORY.

(a) UNCORRECTED ERROR- If the retirement coverage error has not been corrected, as soon as practicable after discovery of the error, such individual shall be covered under the correct retirement coverage, effective as of the date of the retirement coverage error.

(b) CORRECTED ERROR- If the retirement coverage error has been corrected, the corrective action previously taken shall remain in effect.

CHAPTER 3--EMPLOYEE WHO SHOULD OR COULD HAVE BEEN SOCIAL SECURITY-ONLY COVERED BUT WHO WAS ERRONEOUSLY CSRS-OFFSET COVERED OR CSRS COVERED INSTEAD

SEC. 2121. EMPLOYEE WHO SHOULD BE SOCIAL SECURITY-ONLY COVERED, BUT WHO IS ERRONEOUSLY CSRS OR CSRS-OFFSET COVERED INSTEAD.

(a) APPLICABILITY- This section applies in the case of a retirement coverage error in which a Social Security-Only covered employee was erroneously CSRS covered or CSRS-Offset covered.

(b) UNCORRECTED ERROR-

(1) APPLICABILITY- This subsection applies if the retirement coverage error has not been corrected before the effective date of the regulations described in paragraph (3).

(2) COVERAGE- In the case of an individual who is erroneously CSRS covered, as soon as practicable after discovery of the error, and subject to the right of an election under paragraph (3), such individual shall be CSRS-Offset covered, effective as of the date of the retirement coverage error.

(3) ELECTION-

(A) IN GENERAL- Upon written notice of a retirement coverage error, an individual may elect to be CSRS-Offset covered or Social Security-Only covered, effective as of the date of the retirement coverage error. Such election shall be made not later than 180 days after the date of receipt of such notice.

(B) NONELECTION- If the individual does not make an election before the date provided under subparagraph (A), the individual shall remain CSRS-Offset covered.

(C) REGULATIONS- The Office shall prescribe regulations to carry out this paragraph.

(c) CORRECTED ERROR-

(1) APPLICABILITY- This subsection applies if the retirement coverage error was corrected before the effective date of the regulations described under subsection (b)(3).

(2) ELECTION- Not later than 180 days after the date of the enactment of this Act, the Office shall prescribe regulations authorizing individuals to elect, during the 18-month period immediately following the effective date of such regulations, to be CSRS-Offset covered or Social Security-Only covered, effective as of the date of the retirement coverage error.

(3) NONELECTION- If an eligible individual does not make an election under paragraph (2) before the end of any time limitation under this subsection, the corrective action taken before such time limitation shall remain in effect.

CHAPTER 4--EMPLOYEE WHO WAS ERRONEOUSLY FERS COVERED

SEC. 2131. EMPLOYEE WHO SHOULD BE SOCIAL SECURITY-ONLY COVERED, CSRS COVERED, OR CSRS-OFFSET COVERED AND IS NOT FERS-ELIGIBLE, BUT WHO IS ERRONEOUSLY FERS COVERED INSTEAD.

(a) APPLICABILITY- This section applies in the case of a retirement coverage error in which a Social Security-Only covered, CSRS covered, or CSRS-Offset covered employee not eligible to elect FERS coverage under authority of section 8402(c) of title 5, United States Code, was erroneously FERS covered.

(b) UNCORRECTED ERROR-

(1) APPLICABILITY- This subsection applies if the retirement coverage error has not been corrected before the effective date of the regulations described in paragraph (2).

(2) COVERAGE-

(A) ELECTION-

(i) IN GENERAL- Upon written notice of a retirement coverage error, an individual may elect to remain FERS covered or to be Social Security-Only covered, CSRS covered, or CSRS-Offset covered, as would have applied in the absence of the erroneous retirement coverage determination, effective as of the date of the retirement coverage error. Such election shall be made not later than 180 days after the date of receipt of such notice.

(ii) TREATMENT OF FERS ELECTION- An election of FERS coverage under this subsection is deemed to be an election under section 301 of the Federal Employees Retirement System Act of 1986 (5 U.S.C. 8331 note; Public Law 99-335; 100 Stat. 599).

(B) NONELECTION- If the individual does not make an election before the date provided under subparagraph (A), the individual shall remain FERS covered, effective as of the date of the retirement coverage error.

(3) EMPLOYEE CONTRIBUTIONS IN THRIFT SAVINGS FUND- If under this section, an individual elects to be Social Security-Only covered, CSRS covered, or CSRS-Offset covered, all employee contributions to the Thrift Savings Fund made during the period of erroneous FERS coverage (and all earnings on such contributions) may remain in the Thrift Savings Fund in accordance with regulations prescribed by the Executive Director, notwithstanding any limit under section 8351 or 8432 of title 5, United States Code.

(4) REGULATIONS- Except as provided under paragraph (3), the Office shall prescribe regulations to carry out this subsection.

(c) CORRECTED ERROR-

(1) APPLICABILITY- This subsection applies if the retirement coverage error was corrected before the effective date of the regulations described under paragraph (2).

(2) ELECTION- Not later than 180 days after the date of the enactment of this Act, the Office shall prescribe regulations authorizing individuals to elect, during the 18-month period immediately following the effective date of such regulations to remain Social Security-Only covered, CSRS covered, or CSRS-Offset covered, or to be FERS covered, effective as of the date of the retirement coverage error.

(3) NONELECTION- If an eligible individual does not make an election under paragraph (2), the corrective action taken before the end of any time limitation under this subsection shall remain in effect.

(4) TREATMENT OF FERS ELECTION- An election of FERS coverage under this subsection is deemed to be an election under section 301 of the Federal Employees Retirement System Act of 1986 (5 U.S.C. 8331 note; Public Law 99-335; 100 Stat. 599).

SEC. 2132. FERS-ELIGIBLE EMPLOYEE WHO SHOULD HAVE BEEN CSRS COVERED, CSRS-OFFSET COVERED, OR SOCIAL SECURITY-ONLY COVERED, BUT WHO WAS ERRONEOUSLY FERS COVERED INSTEAD WITHOUT AN ELECTION.

(a) IN GENERAL-

(1) FERS ELECTION PREVENTED- If an individual was prevented from electing FERS coverage because the individual was erroneously FERS covered during the period when the individual was eligible to elect FERS under title III of the Federal Employees Retirement System Act or the Federal Employees' Retirement System Open Enrollment Act of 1997

(Public Law 105-61; 111 Stat. 1318 et seq.), the individual--

(A) is deemed to have elected FERS coverage; and

(B) shall remain covered by FERS, unless the individual declines, under regulations prescribed by the Office, to be FERS covered.

(2) DECLINING FERS COVERAGE- If an individual described under paragraph (1)(B) declines to be FERS covered, such individual shall be CSRS covered, CSRS-Offset covered, or Social Security-Only covered, as would apply in the absence of a FERS election, effective as of the date of the erroneous retirement coverage determination.

(b) EMPLOYEE CONTRIBUTIONS IN THRIFT SAVINGS FUND- If under this section, an individual declines to be FERS covered and instead is Social Security-Only covered, CSRS covered, or CSRS-Offset covered, as would apply in the absence of a FERS election, all employee contributions to the Thrift Savings Fund made during the period of erroneous FERS coverage (and all earnings on such contributions) may remain in the Thrift Savings Fund in accordance with regulations prescribed by the Executive Director, notwithstanding any limit under title 5, United States Code, that would otherwise be applicable.

(c) INAPPLICABILITY OF DURATION OF ERRONEOUS COVERAGE- This section shall apply regardless of the length of time the erroneous coverage determination remained in effect.

SEC. 2133. RETROACTIVE EFFECT.

This chapter shall be effective as of January 1, 1987, except that section 2132 shall not apply to individuals who made or were deemed to have made elections similar to those provided in this section under regulations prescribed by the Office before the effective date of this title.

CHAPTER 5--EMPLOYEE WHO SHOULD HAVE BEEN CSRS-OFFSET COVERED, BUT WHO WAS ERRONEOUSLY CSRS COVERED INSTEAD

SEC. 2141. APPLICABILITY.

This chapter shall apply in the case of any employee who should be (or should have been) CSRS-Offset covered but, as a result of a retirement coverage error, is (or was) CSRS covered instead.

SEC. 2142. CORRECTION MANDATORY.

(a) UNCORRECTED ERROR- If the retirement coverage error has not been corrected, as soon as practicable after discovery of the error, such individual shall be covered under the correct retirement coverage, effective as of the date of the retirement coverage error.

(b) CORRECTED ERROR- If the retirement coverage error has been corrected before the effective date of this title, the corrective action taken before such date shall remain in effect.

CHAPTER 6--EMPLOYEE WHO SHOULD HAVE BEEN CSRS COVERED, BUT WHO WAS ERRONEOUSLY CSRS-OFFSET COVERED INSTEAD

SEC. 2151. APPLICABILITY.

This chapter shall apply in the case of any employee who should be (or should have been) CSRS covered but, as a result of a retirement coverage error, is (or was) CSRS-Offset covered instead.

SEC. 2152. CORRECTION MANDATORY.

(a) UNCORRECTED ERROR- If the retirement coverage error has not been corrected, as soon as practicable after discovery of the error, such individual shall be covered under the correct retirement coverage, effective as of the date of the retirement coverage error.

(b) CORRECTED ERROR- If the retirement coverage error has been corrected before the effective date of this title, the corrective action taken before such date shall remain in effect.

Subtitle B--General Provisions

SEC. 2201. IDENTIFICATION AND NOTIFICATION REQUIREMENTS.

Government agencies shall take all such measures as may be reasonable and appropriate to promptly identify and notify individuals who are (or have been) affected by a retirement coverage error of their rights under this title.

SEC. 2202. INFORMATION TO BE FURNISHED TO AND BY AUTHORITIES ADMINISTERING THIS TITLE.

(a) APPLICABILITY- The authorities identified in this subsection are--

(1) the Director of the Office of Personnel Management;

(2) the Commissioner of Social Security; and

(3) the Executive Director of the Federal Retirement Thrift Investment Board.

(b) AUTHORITY TO OBTAIN INFORMATION- Each authority identified in subsection (a) may secure directly from any department or agency of the United States information necessary to enable such authority to carry out its responsibilities under this title. Upon request of the authority involved, the head of the department or agency involved shall furnish that information to the requesting authority.

(c) AUTHORITY TO PROVIDE INFORMATION- Each authority identified in subsection (a) may provide directly to any department or agency of the United States all information such authority believes necessary to enable the department or agency to carry out its responsibilities under this title.

(d) LIMITATION; SAFEGUARDS- Each of the respective authorities under subsection (a) shall--

(1) request or provide only such information as that authority considers necessary; and

(2) establish, by regulation or otherwise, appropriate safeguards to ensure that any information obtained under this section shall be used only for the purpose authorized.

SEC. 2203. SERVICE CREDIT DEPOSITS.

(a) CSRS DEPOSIT- In the case of a retirement coverage error in which--

(1) a FERS covered employee was erroneously CSRS covered or CSRS-Offset covered;

(2) the employee made a service credit deposit under the CSRS rules; and

(3) there is a subsequent retroactive change to FERS coverage,

the excess of the amount of the CSRS civilian or military service credit deposit over the FERS

civilian or military service credit deposit, together with interest computed in accordance with paragraphs (2) and (3) of section 8334(e) of title 5, United States Code, and regulations prescribed by the Office, shall be paid to the employee, the annuitant or, in the case of a deceased employee, to the individual entitled to lump-sum benefits under section 8424(d) of title 5, United States Code.

(b) FERS DEPOSIT-

(1) APPLICABILITY- This subsection applies in the case of an erroneous retirement coverage determination in which--

(A) the employee owed a service credit deposit under section 8411(f) of title 5, United States Code; and

(B)(i) there is a subsequent retroactive change to CSRS or CSRS-Offset coverage; or

(ii) the service becomes creditable under chapter 83 of title 5, United States Code.

(2) REDUCED ANNUITY-

(A) IN GENERAL- If at the time of commencement of an annuity there is remaining unpaid CSRS civilian or military service credit deposit for service described under paragraph (1), the annuity shall be reduced based upon the amount unpaid together with interest computed in accordance with section 8334(e)(2) and (3) of title 5, United States Code, and regulations prescribed by the Office.

(B) AMOUNT- The reduced annuity to which the individual is entitled shall be equal to an amount that, when taken together with the amount referred to under subparagraph (A), would result in the present value of the total being actuarially equivalent to the present value of the unreduced annuity benefit that would have been provided the individual.

(3) SURVIVOR ANNUITY-

(A) IN GENERAL- If at the time of commencement of a survivor annuity, there is remaining unpaid any CSRS service credit deposit described under paragraph (1), and there has been no actuarial reduction in an annuity under paragraph (2), the survivor annuity shall be reduced based upon the amount unpaid together with interest computed in accordance with section 8334(e)(2) and (3) of title 5, United States Code, and regulations prescribed by the Office.

(B) AMOUNT- The reduced survivor annuity to which the individual is entitled shall be equal to an amount that, when taken together with the amount referred to under subparagraph (A), would result in the present value of the total being actuarially equivalent to the present value of an unreduced survivor annuity benefit that would have been provided the individual.

SEC. 2204. PROVISIONS RELATED TO SOCIAL SECURITY COVERAGE OF MISCLASSIFIED EMPLOYEES.

(a) DEFINITIONS- In this section, the term--

(1) 'covered individual' means any employee, former employee, or annuitant who--

(A) is or was employed erroneously subject to CSRS coverage as a result of a retirement coverage error; and

(B) is or was retroactively converted to CSRS-offset coverage, FERS coverage, or Social Security-Only coverage; and

(2) `excess CSRS deduction amount' means an amount equal to the difference between the CSRS deductions withheld and the CSRS-Offset or FERS deductions, if any, due with respect to a covered individual during the entire period the individual was erroneously subject to CSRS coverage as a result of a retirement coverage error.

(b) REPORTS TO COMMISSIONER OF SOCIAL SECURITY-

(1) IN GENERAL- In order to carry out the Commissioner of Social Security's responsibilities under title II of the Social Security Act, the Commissioner may request the head of each agency that employs or employed a covered individual to report (in coordination with the Office of Personnel Management) in such form and within such timeframe as the Commissioner may specify, any or all of--

(A) the total wages (as defined in section 3121(a) of the Internal Revenue Code of 1986) paid to such individual during each year of the entire period of the erroneous CSRS coverage; and

(B) such additional information as the Commissioner may require for the purpose of carrying out the Commissioner's responsibilities under title II of the Social Security Act (42 U.S.C. 401 et seq.).

(2) COMPLIANCE- The head of an agency or the Office shall comply with a request from the Commissioner under paragraph (1).

(3) WAGES- For purposes of section 201 of the Social Security Act (42 U.S.C. 401), wages reported under this subsection shall be deemed to be wages reported to the Secretary of the Treasury or the Secretary's delegates pursuant to subtitle F of the Internal Revenue Code of 1986.

(c) PAYMENT RELATING TO OASDI EMPLOYEE TAXES- The Office shall transfer from the Civil Service Retirement and Disability Fund to the General Fund of the Treasury an amount equal to the lesser of the excess CSRS deduction amount or the OASDI taxes due for covered individuals (as adjusted by amounts transferred relating to applicable OASDI employee taxes as a result of corrections made, including corrections made before the date of the enactment of this Act). If the excess CSRS deductions exceed the OASDI taxes, any difference shall be paid to the covered individual or survivors, as appropriate.

(d) PAYMENT OF OASDI EMPLOYER TAXES-

(1) IN GENERAL- Each employing agency shall pay an amount equal to the OASDI employer taxes owed with respect to covered individuals during the applicable period of erroneous coverage (as adjusted by amounts transferred for the payment of such taxes as a result of corrections made, including corrections made before the date of the enactment of this Act).

(2) PAYMENT- Amounts paid under this subsection shall be determined subject to any limitation under section 6501 of the Internal Revenue Code of 1986.

SEC. 2205. THRIFT SAVINGS PLAN TREATMENT FOR CERTAIN INDIVIDUALS.

(a) APPLICABILITY- This section applies to an individual who--

(1) is eligible to make an election of coverage under section 2101 or 2102, and only if FERS

coverage is elected (or remains in effect) for the employee involved; or

(2) is described in section 2111, and makes or has made retroactive employee contributions to the Thrift Savings Fund under regulations prescribed by the Executive Director.

(b) PAYMENT INTO THRIFT SAVINGS FUND-

(1) IN GENERAL-

(A) PAYMENT- With respect to an individual to whom this section applies, the employing agency shall pay to the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code, for credit to the account of the employee involved, an amount equal to the earnings which are disallowed under section 8432a(a)(2) of such title on the employee's retroactive contributions to such Fund.

(B) AMOUNT- Earnings under subparagraph (A) shall be computed in accordance with the procedures for computing lost earnings under section 8432a of title 5, United States Code. The amount paid by the employing agency shall be treated for all purposes as if that amount had actually been earned on the basis of the employee's contributions.

(C) EXCEPTIONS- If an individual made retroactive contributions before the effective date of the regulations under section 2101(c), the Director may provide for an alternative calculation of lost earnings to the extent that a calculation under subparagraph (B) is not administratively feasible. The alternative calculation shall yield an amount that is as close as practicable to the amount computed under subparagraph (B), taking into account earnings previously paid.

(2) ADDITIONAL EMPLOYEE CONTRIBUTION- In cases in which the retirement coverage error was corrected before the effective date of the regulations under section 2101(c), the employee involved shall have an additional opportunity to make retroactive contributions for the period of the retirement coverage error (subject to applicable limits), and such contributions (including any contributions made after the date of the correction) shall be treated in accordance with paragraph (1).

(c) REGULATIONS-

(1) EXECUTIVE DIRECTOR- The Executive Director shall prescribe regulations appropriate to carry out this section relating to retroactive employee contributions and payments made on or after the effective date of the regulations under section 2101(c).

(2) OFFICE- The Office, in consultation with the Federal Retirement Thrift Investment Board, shall prescribe regulations appropriate to carry out this section relating to the calculation of lost earnings on retroactive employee contributions made before the effective date of the regulations under section 2101(c).

SEC. 2206. CERTAIN AGENCY AMOUNTS TO BE PAID INTO OR REMAIN IN THE CSRDF.

(a) CERTAIN EXCESS AGENCY CONTRIBUTIONS TO REMAIN IN THE CSRDF-

(1) IN GENERAL- Any amount described under paragraph (2) shall--

(A) remain in the CSRDF; and

(B) may not be paid or credited to an agency.

(2) AMOUNTS- Paragraph (1) refers to any amount of contributions made by an agency under section 8423 of title 5, United States Code, on behalf of any employee, former employee, or annuitant (or survivor of such employee, former employee, or annuitant) who makes an election to correct a retirement coverage error under this title, that the Office determines to be excess as a result of such election.

(b) ADDITIONAL EMPLOYEE RETIREMENT DEDUCTIONS TO BE PAID BY AGENCY- If a correction in a retirement coverage error results in an increase in employee deductions under section 8334 or 8422 of title 5, United States Code, that cannot be fully paid by a reallocation of otherwise available amounts previously deducted from the employee's pay as employment taxes or retirement deductions, the employing agency--

(1) shall pay the required additional amount into the CSRDF; and

(2) shall not seek repayment of that amount from the employee, former employee, annuitant, or survivor.

SEC. 2207. CSRS COVERAGE DETERMINATIONS TO BE APPROVED BY OPM.

No agency shall place an individual under CSRS coverage unless--

(1) the individual has been employed with CSRS coverage within the preceding 365 days; or

(2) the Office has agreed in writing that the agency's coverage determination is correct.

SEC. 2208. DISCRETIONARY ACTIONS BY DIRECTOR.

(a) IN GENERAL- The Director of the Office of Personnel Management may--

(1) extend the deadlines for making elections under this title in circumstances involving an individual's inability to make a timely election due to a cause beyond the individual's control;

(2) provide for the reimbursement of necessary and reasonable expenses incurred by an individual with respect to settlement of a claim for losses resulting from a retirement coverage error, including attorney's fees, court costs, and other actual expenses;

(3) compensate an individual for monetary losses that are a direct and proximate result of a retirement coverage error, excluding claimed losses relating to forgone contributions and earnings under the Thrift Savings Plan under subchapter III of chapter 84 of title 5, United States Code, and all other investment opportunities; and

(4) waive payments required due to correction of a retirement coverage error under this title.

(b) SIMILAR ACTIONS- In exercising the authority under this section, the Director shall, to the extent practicable, provide for similar actions in situations involving similar circumstances.

(c) JUDICIAL REVIEW- Actions taken under this section are final and conclusive, and are not subject to administrative or judicial review.

(d) REGULATIONS- The Office of Personnel Management shall prescribe regulations regarding the process and criteria used in exercising the authority under this section.

(e) REPORT- The Office of Personnel Management shall, not later than 180 days after the date of the enactment of this Act, and annually thereafter for each year in which the authority provided in

this section is used, submit a report to each House of Congress on the operation of this section.

SEC. 2209. REGULATIONS.

(a) IN GENERAL- In addition to the regulations specifically authorized in this title, the Office may prescribe such other regulations as are necessary for the administration of this title.

(b) FORMER SPOUSE- The regulations prescribed under this title shall provide for protection of the rights of a former spouse with entitlement to an apportionment of benefits or to survivor benefits based on the service of the employee.

Subtitle C--Other Provisions

SEC. 2301. PROVISIONS TO AUTHORIZE CONTINUED CONFORMITY OF OTHER FEDERAL RETIREMENT SYSTEMS.

(a) FOREIGN SERVICE- Sections 827 and 851 of the Foreign Service Act of 1980 (22 U.S.C. 4067 and 4071) shall apply with respect to this title in the same manner as if this title were part of--

(1) the Civil Service Retirement System, to the extent this title relates to the Civil Service Retirement System; and

(2) the Federal Employees' Retirement System, to the extent this title relates to the Federal Employees' Retirement System.

(b) CENTRAL INTELLIGENCE AGENCY- Sections 292 and 301 of the Central Intelligence Agency Retirement Act (50 U.S.C. 2141 and 2151) shall apply with respect to this title in the same manner as if this title were part of--

(1) the Civil Service Retirement System, to the extent this title relates to the Civil Service Retirement System; and

(2) the Federal Employees' Retirement System, to the extent this title relates to the Federal Employees' Retirement System.

SEC. 2302. AUTHORIZATION OF PAYMENTS.

All payments authorized or required by this title to be paid from the Civil Service Retirement and Disability Fund, together with administrative expenses incurred by the Office in administering this title, shall be deemed to have been authorized to be paid from that Fund, which is appropriated for the payment thereof.

SEC. 2303. INDIVIDUAL RIGHT OF ACTION PRESERVED FOR AMOUNTS NOT OTHERWISE PROVIDED FOR UNDER THIS TITLE.

Nothing in this title shall preclude an individual from bringing a claim against the Government of the United States which such individual may have under section 1346(b) or chapter 171 of title 28, United States Code, or any other provision of law (except to the extent the claim is for any amounts otherwise provided for under this title).

Subtitle D--Effective Date

SEC. 2401. EFFECTIVE DATE.

Except as otherwise provided in this title, this title shall take effect on the date of the enactment of

this Act.

Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate.

END

THE WHITE HOUSE

HR 4040 -- 05/09/2000

Office of Management and Budget

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

May 9, 2000
(House)

H.R. 4040 - Long-Term Care Security Act
(Rep. Scarborough (R) FL and 14 cosponsors)

The Administration supports House passage of H.R. 4040, which would offer long-term care (LTC) insurance to Federal employees and annuitants and their relatives, active and retired members of the uniformed services and their relatives, and employees of the United States Postal Service. On January 4, 1999, the President announced an initiative to improve access to LTC for all Americans. H.R. 4040 would be a significant step in implementing the President's Plan. In addition to encouraging the purchase of LTC insurance for Federal employees, the President's LTC initiative includes a $3,000 tax credit for those with long-term care needs or their caregivers, funds services to support family caregivers of older persons, equalizes Medicaid eligibility for those cared for in home and community based settings, and encourages partnerships between Medicaid and low-income housing for the elderly.

The Administration does, however, have some concerns with H.R. 4040 and will work with the Senate to address them. For example, the Administration will seek amendments to:

- Improve the administration of the new LTC program by: (1) reducing from seven years to five years the LTC insurance contract with the qualified carrier(s) in order to allow the LTC program to better adapt to a rapidly evolving marketplace and industry; (2) addressing the application of appropriate accounting practices and principles to protect the interests of beneficiaries under the LTC contracting program; and (3) creating a separate section in the bill that authorizes appropriations for the implementation and administration of the LTC program, which would maintain the distinction between LTC and Federal Employee Group Life Insurance (FEGLI) programs, and limit the exposure of the FEGLI Trust Fund resources. This would provide greater accountability by basing administrative expenses on anticipated workload and staffing needs funded through discretionary spending subject to Presidential discretion and Congressional oversight.
- Allow OPM greater flexibility regarding the scope and nature of the information to be provided under the informed decision-making provisions to individuals who are considering enrolling in the LTC program. These provisions are designed to ensure that

individuals take into account alternative ways of saving for their long-term care expenses (such as through qualified pensions), the ability of the insurers to increase premiums on the LTC policies, the likelihood that their LTC policy will lapse before they need LTC, the economic consequences to them of allowing their policies to lapse, and the likely ratio of their benefits to the cost of LTC in the future.

- Rectify a Constitutional flaw in the bill that requires OPM to provide Congress with written recommendations regarding the LTC program. This provision is invalid under the Recommendations Clause of the Constitution. Legislation that requires the President's subordinates to provide Congress with policy recommendations interferes with the President's efforts to formulate and present his own recommendations and proposals and to control the policy agenda of his Administration.

The Administration appreciates the bipartisan cooperation that has characterized the discussions of LTC insurance for Federal employees and looks forward to the development of a program that not only will benefit civilian and military individuals and their families, but will also serve as a model for other employers as we meet the challenges of a new century.

Pay-As-You-Go Scoring

H.R. 4040 would affect direct spending; therefore it is subject to the pay-as-you-go (paygo) requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's paygo estimate for this bill is under development.

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Privacy Statement

American Health Care Association

THE BRIEFING ROOM

Testimony of Charles H. Roadman II, M.D., President and CEO, American Health Care Association

Before The Senate Select Committee on Aging

September 5, 2000

Roadman

Thank you Chairman Grassley, and thank you Members of this Committee, for the opportunity to testify here today. On behalf of the American Health Care Association (AHCA), I look forward to continuing to work with you and your staff, and with every member of this Committee, to better the lives of America's seniors -- and to ensure those providing care are doing so in a manner that always puts patients and quality care first.

As President and CEO of the American Health Care Association, I represent a non-profit federation of affiliated associations representing more than 12,000 non-profit and for-profit assisted living, skilled nursing and subacute care providers, nationwide.

In addition to my statement today, I would respectfully ask that the charts and documents I'll be referencing be entered into the full record of this hearing.

While the hearing today focuses on the causes and subsequent problems associated with the immediate skilled nursing facility bankruptcy crisis, I believe we cannot examine this crisis isolated from the long-range economic viability of skilled nursing care for our elderly. That's because provider bankruptcies are the end result of a long chain of chronic, systemic failures -- many of which, I contend -- are the result of federal government policies -- however well intended -- that left providers unable to support a long term care or skilled nursing care infrastructure created by good faith business decisions.

I wish to emphasize four key points:

1. Skilled Nursing Facilities (SNFs) are an essential component of our health care system - the delivery structure has been shaped in large part by public policy decisions;
2. The current economic crisis threatens both current and future beneficiary access -- without adequate reimbursement to meet operating and capital requirements, providers cannot survive;
3. Performance expectations must be intimately coupled with resources - public sector demands have not been matched with public sector commitment of resources;
4. Market failures are the direct consequences of public policy and implementation decisions; to meet beneficiary needs, the long term care community must partner with the government.

SNFs are providing essential services:

First, let's make it clear why we are all here today: Approximately 2 million Americans need and receive Medicare covered skilled nursing care every year. That number will increase exponentially as Baby Boomers and their parents age and confront limitations in activities of daily living (ADLs). Two out of three of current residents in skilled nursing facilities are women, aged 80 or older, left without a spouse or constant family caregiver. By anyone's reckoning, these patients are the most vulnerable segment of our population, and most depend on 24 hour

skilled nursing care.

It's no overstatement to say that the typical SNF beneficiary puts the overall quality of the rest of his or her life in the hands of our profession. It's our charge to provide quality medical care to improve their health and quality of life, get them back on their feet and back home, or, to a homelike setting within the community. This is a benefit that, over Medicare's many years, has become a true cornerstone of the program.

Mr. Chairman, the rise of skilled nursing facility Medicare utilization during the past decade reflects legitimate clinical efforts by providers to meet beneficiary needs. As envisioned by Congress, skilled nursing facilities have become centers for post-acute rehabilitation and restorative services.

Meeting the needs of higher acuity, post-acute discharge patients have very clearly, whether we like it or not, transformed facility roles, functions and cost structures. The landscape in which skilled nursing facilities operate in the year 2000 is far different, and far more challenging and complex, than just 10 or 20 years ago.

As facilities stepped up and met these new challenges and complexities, the number of patients qualifying for Medicare grew. Today, more than half of all patients admitted to skilled nursing facilities are Medicare qualified.

Certainly, the importance of a viable Medicare system to providers is unmistakable, and some of the problems are painfully evident: A recent analysis from The Lewin Group, an independent public policy research firm, shows, for example, that Medicare reforms in the 1997 Balanced Budget Act were *intended* by Congress to reduce SNF benefit spending over the following seven years by *one out of every six dollars*, and that's how the CBO scored those reforms at the time. (**View Lewin Report in PDF Format**)

Subsequent 1999 CBO projections have forecast reductions twice as large -- or, *one out of every three dollars*. In the aggregate, between the years 1998 and 2004, federal spending for skilled nursing facility care is now projected by CBO to be $15.8 billion less than Congress anticipated and agreed upon. These figures are based on solid research. A copy is provided to our submitted testimony, and I encourage you and/or your staffs to peruse it. We have also included a breakdown of Medicare losses state-by-state. (**Views breakdown of losses, State by State**)

Although Congress passed the BBRA last year to restore vital Medicare funding for SNF care -- and that was helpful -- Medicare SNF outlays continue spiraling downward. The BBRA budgeted an increase of SNF spending in FY 2000 to $13.3 billion, yet, again, the CBO reports that that SNF spending will actually come in $2 billion below the budget.

Public Policy Failures:

Mr. Chairman, I want to speak directly to recent assertions by the GAO that there is no crisis in long term care, that bankruptcies affecting close to 2,000 skilled nursing facilities is not problematic, and that any difficulties confronting all providers are the direct result of business decisions. It is important for the Committee to understand the sequence of events, and how we got here.

From 1990 through 1997, providers and HCFA participated in demonstration projects to test the details of a prospective payment system. The entire profession, based in large part on its experience with the demonstration project, supported the prospective payment system. With the exception of one important area, providers had a sense of what to expect. That area, non-therapy ancillaries - which includes prescription drugs and ventilator care - was not well accounted for in the system. HCFA gave assurances that the PPS would include a component to account for non-therapy ancillaries when the final rates were published. It did not.

Prior to that, long term care providers made strategic business decisions as to how to phase into the new PPS. They looked at all major aspects of skilled nursing care, including rehabilitation, nursing, and prescription drugs. They made decisions as to how to structure their companies, not alone -- but with the scrutiny of literally hundreds of bankers, credit analysts, and institutional investors based on information provided by HCFA. This information portended a system that would ensure efficiencies in the delivery of skilled care rather than not paying for certain necessary services.

When we sat down with HCFA and Congress in developing this system, it was widely expected that skilled nursing care would experience a $19.8 billion reduction upon implementation of PPS. The reality has been that the PPS has cut more than $35.6 billion from SNF care - $15.8 billion more than originally anticipated.

Attached is a recent analysis completed by KPMG analyzing the adequacy of RUG rates for achieving the nurse staffing standard used by HCFA in developing its rate methodology. Mr. Chairman, I think you will find it astonishing to note that the initial rate structure *was* and *continues to be* grossly inadequate. It can be seen based on HCFA's own information, the overwhelming majority of PPS rates relating to the nursing case mix component is insufficient.

The rates understate nursing by nearly 14%, with the average deficit in rural areas being nearly 17%. In some RUG categories, HCFA's under recognition of nursing costs are in excess of $30 per day. Out of the 44 RUG categories, nursing costs are met in only one of the rural categories, and only three of the urban categories. Obviously, flaws were made in the calculations of the rates.

Mr. Chairman, the implementation of the PPS has penalized those providers that have stepped up to serve Medicare beneficiaries in need of skilled nursing care. Those who invested in the infrastructure to facilitate patients' return to the community for high acuity hospital discharge Medicare beneficiaries are those providers who were most adversely impacted by these cutbacks. These investments included highly skilled staff, on-site therapy services and specialized medical equipment to address the health care needs of patients with complex medical and rehabilitative needs.

Bankruptcies among skilled nursing facilities have reached an alarming figure of approximately 2,000 facilities in the last year alone. But, let me state very, very clearly, on the record, to everyone here today: This is just the tip of the iceberg. Our long term care community is facing a squeeze with the real potential for absolute collapse that will put at risk care for all SNF patients -- We are faced with countless challenges affecting caregivers and patients alike. Among them....

- Medicare cuts, which are *much deeper* than anticipated;
- A grossly underfunded Medicaid system, which pays for two out of every three of our nation's 1.5 million patients -- truly a staggering figure;
- The "capital flight" of the private investment sector is a serious problem; we simply can't improve quality in long term care without having resources to invest in infrastructure;
- The evaporation of nearly all of the profession's market equity support, resulting in a loss of 85% of investment capital;
- A poor patient index classification system;
- An inadequate baseline;
- An overly complex PPS that does not reflect patient needs;
- A subjective and ineffective survey and enforcement system that is not functioning in the best interests of patient care;
- An alarming national trend of skyrocketing liability insurance premiums which is causing a flight of good providers from the state of Florida, with many states soon to follow unless tort reform is implemented;
- And, a staffing crisis, with more than 100% annual staff turnover -- 100%! Employee recruitment and retention in a booming economy at such low wages is a very significant concern.

Consequences of Public Policy Failures:

These factors have had a dramatic impact on SNF viability - and quality and access are next.

Contrary to rumors, access to services has become a problem -- especially in rural areas. And these problems with beneficiary access will become more prevalent in the upcoming months, as the squeeze intensifies.

Looking back at the August 1999 Office of the Inspector General (OIG) report examining the

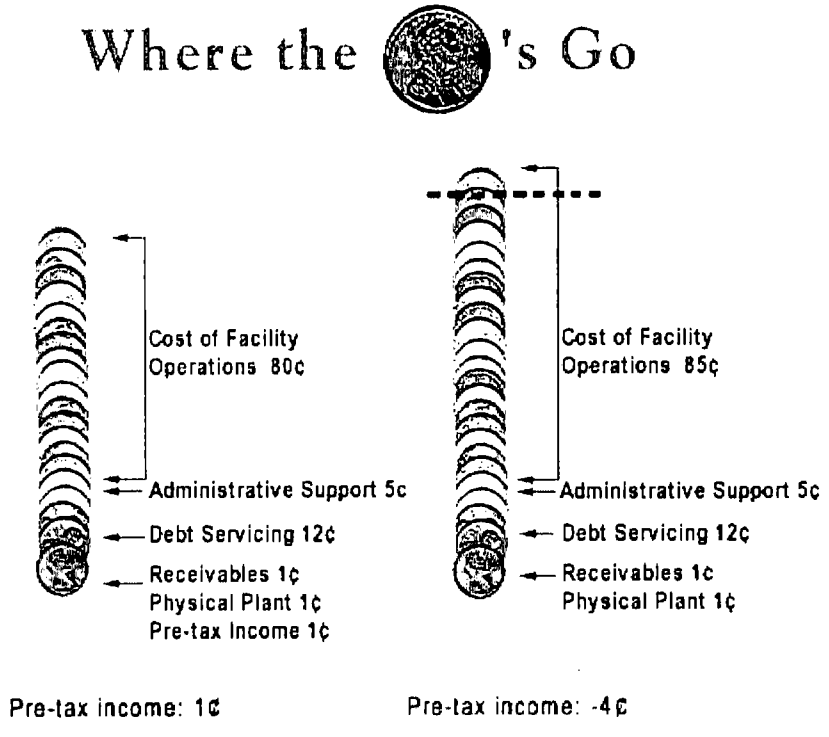
effects of the PPS on access to SNFs, the findings included the following:

- When asked which types of patients have become more difficult to place in nursing homes, the majority of discharge planners -- 58% -- identified patients who require extensive services, according to the OIG. "These types of patients typically require complex direct nursing care and expensive medications. They include patients who require intravenous feedings, intravenous medications, tracheotomy care or ventilator care," the report says.
- One-third of all hospital discharge planners said it was difficult to place Medicare patients in SNFs.
- Approximately 20 % said placement has become more difficult in the past year due to PPS implementation.
- Sixty-five percent of hospitals discharge planners say PPS has had an effect on their ability to place patients.

So, as stated by the federal government's own data, access *IS* a problem.

Equally important has been the impact on the vital fiscal signs of the sector. The attached three graphs detail the severe financial realities we are facing:

- The first, is what I call the "stack of pennies," which shows the division of payment out of each dollar of payment for care -- this is a very labor-intensive sector - - margins have historically been very low; but the economic reality is that most nursing facilities are receiving little or no fiscal return for their efforts.



- The second depicts the market capitalization fall off - - the financial economic crisis was not caused by increased debt, it was caused by decreased revenues. The growth spurt of the early 1990's was fueled by investor confidence -- the changes of the BBA undermined this confidence, and they have left the skilled nursing community without sufficient capital to sustain service capacity. (View Market Capitalization Fall Off Chart in PDF Format)
- And the third shows 1995 -1998 data costs incurred vs. annual inflation update -- costs rose 27.4%, reimbursement increased 8.2% -- no business can remain viable under such shortfalls. (View Data Costs versus Annual Inflation Chart in PDF Format)

Meeting Resident Needs:

Credit must be given to the hundreds of thousands of caregivers and providers who, while faced with these tremendous challenges in a very demanding and difficult environment, continue to do right by patients and work tirelessly to maintain a level of quality care. Accompanying me today are a number of those dedicated individuals who provide quality, compassionate care 24-hours a day under very challenging circumstances.

Partnering to Meet Resident Care Needs:

While there are those that want to dwell on what happened and why, our real focus must be on what needs to be done and how quickly. This hearing offers a unique opportunity for all of us to focus on defining real solutions.

As the attached "King/Muse analysis" outlines, we believe certain critical steps can and should be taken immediately. They are:

***First:* Adjust the SNF PPS base to account for the flawed update factor between 1995 and 1998.**

Specifically, we have documented the need for a one-time upward adjustment of 13.5% to the SNF PPS base to account for forecast errors between 1995 and 1998.

***Second:* Develop a process for revising the SNF market basket.**

The current skilled nursing facility market basket index is seriously flawed. It is not a specific measure of skilled nursing cost changes, nor is it an accurate predictor of cost changes in a dynamically changing care environment.

We strongly support a formal process by the Administration to review the SNF market basket to ensure it keeps pace with and fully accounts for the actual increases in costs incurred and reflects changes that will affect costs in the delivery of skilled nursing care.

***Third:* Medicare reforms should include an updating of the SNF benefit.**

We believe Congress must act to protect beneficiaries from excessive co-payments, must act to eliminate outdated controls on access to the benefit and must act to remove barriers to care management.

These steps address only part of the issues. We confront other issues that impact and are unalterably interwoven into the overall big-picture -- specifically, the issues of staffing, the chronic underfunding of Medicaid at the state level, and the survey and enforcement issue.

I would be remiss if I did not briefly discuss the chaotic state of the survey and enforcement system. The shared goal of the long term care community, government and the public is quality care in a safe and secure environment for all nursing facility patients. However; the current survey and certification process doesn't serve that goal. These are my observations and proposed solutions:

- Nursing facilities should have access to a uniform, effective, objective and timely dispute resolution process as a way to appeal survey findings.
- Surveyors' decisions must be based on objective evaluations of actual end results of care, rather than non-specific determinations.
- Surveyors should be prohibited from overriding physicians'orders, or from inspecting areas in which they are not professionally qualified. Where problems do exist, facilities should be given the opportunity to correct problems, *especially when a violation does not cause physical harm to residents.*

· My final point on the survey system: The federally mandated nursing home inspection process should allow inspectors to work with facilities to solve problems. Federal government policy related to nursing home inspections actually prohibits nursing home inspectors from supplying information to caregivers that might help in correcting problems. The government's "no collaboration" policy is an obstacle to ongoing improvements in quality. If our common goal is to correct problems quickly and ultimately

improve care, this policy is illogical.

Conclusion:

My assessment is clear -- the government's commitment to fund quality care is wavering -- Medicare funding for nursing facility care has been seriously cut, and Medicaid programs across the country are traditionally and, in some cases, grossly underfunded to the point of paying an average $4 per hour for care in a nursing facility. Sadly, Mr. Chairman, this is less than we pay a teenage babysitter.

Medicaid has become the default payer for people needing nursing facility services as it pays for two out of three residents nationwide. We believe there should be federal oversight of Medicaid payments, and we propose that there must be a minimum Medicaid rate standard, or floor, which will cover basic costs for quality patient care.

Government is demanding higher quality care and staffing while increasing regulations and providing fewer resources to provide it. As you know, Mr. Chairman, the American Health Care Association has taken a strong stance embracing many of the recent recommendations of the HCFA study on nursing home staffing that your committee requested. I have attached a copy of this most recent position paper. We, to believe optimum staffing is related to high-quality care; at the same time, we need your help in making sure that there are adequate resources to recruit and retain nursing staff...and the help of the Congress in creating an environment to stimulate a positive environment for caregivers. It is one thing to establish standards. It is another to help us reach them.

As we continue this important dialogue about the best means by which to address all of the issues discussed today, I want to leave the Committee with this message: We all want the best for our patients, we're always interested in improving the overall skilled nursing system itself, and we seek to work in a positive and constructive manner that *always* puts *patients and quality care first.*

I believe we face a national crisis - coming on quickly - that will try the very soul of this nation...how we care for our young, elderly and disabled in this country.

This is clearly a public policy issue - *NOT* a medical-long term care problem.

So, Mr. Chairman, we need help to accomplish these goals. We look forward to working with you, and this Committee, to accomplish our mutual and positive objectives that, in the end, help the many seniors in our nation who need and deserve not just our care, but our compassion as well.

Thank you.

Attachments:

- Position Paper on Optimal Staffing Standards
- National Lewin Study (PDF Format)
- State-Specific Lewin Studies
- KPMG Nurse Care Mix Rates (PDF Format)
- Capitalization Chart (PDF Format)
- Bankruptcy list (See Below)
- King/Muse Paper Analysis (To be released)

Bankruptcies Among Nursing Facilities Filed in 1999 and

2000[1]

State	Total Number of Nursing Facilities in State[2]	Bankruptcies	Percent of Facilities in State in Bankruptcy
Northeast			
CT	255	39	15.29%
MA	547	131	23.95%
ME	127	11	8.66%
NH	84	29	34.52%
RI	102	6	5.88%
VT	44	5	11.36%
NJ	351	38	10.83%
NY	650	0	0.00%
PA	782	57	7.29%
Subtotal	**2,942**	**316**	**10.74%**
Mid-West			
IL	873	46	5.27%
IN	571	35	6.13%
MI	446	29	6.50%
OH	1,009	59	5.85%
WI	422	43	10.19%
IA	467	8	1.71%
KS	399	25	6.27%
MN	443	3	0.68%
MO	558	23	4.12%
ND	88	1	1.14%
NE	240	23	9.58%
SD	114	0	0.00%
Subtotal	**5,630**	**295**	**5.24%**
South			
DC	19	0	0.00%
DE	40	5	12.50%
FL	740	141	19.05%
GA	362	73	20.17%
MD	227	34	14.98%
NC	407	84	20.64%
SC	176	28	15.91%
VA	263	26	9.89%
WV	128	33	25.78%
AL	222	23	10.36%
KY	312	23	7.37%

MS	199	16	8.04%
TN	352	46	13.07%
AR	261	0	0.00%
LA	339	38	11.21%
OK	388	8	2.06%
TX	1,247	271	21.73%
Subtotal	**5,682**	**849**	**14.94%**
West			
AZ	164	30	18.29%
CO	225	51	22.67%
ID	83	18	21.69%
MT	105	3	2.86%
NM	81	38	46.91%
NV	47	22	46.81%
UT	93	7	7.53%
WY	41	10	24.39%
AK	15	0	0.00%
CA	1,376	170	12.35%
HI	44	1	2.27%
OR	157	6	3.82%
WA	282	41	14.54%
Subtotal	**2,713**	**397**	**14.63%**
Total US	**16,967**	**1,857**	**10.94%**

[1]Primary data source: Survey of AHCA state affiliates conducted in September and December 1999 and total facility listings from six multifacility companies filing bankruptcy between September 1999 and June 2000.

[2]Number facilities from HCFA OSCAR data as of 9/99.

American Health Care Association - Research and Information Services June 29, 2000

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