Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	From: Bruce Reed et al. re: Medicare and Prescription Drug Event (partial) (1 page)	10/24/1999	P6/b(6)
002. draft	re: Steven Callus remarks (2 pages)	n.d.	P6/b(6)

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Devorah Adler
OA/Box Number: 20147

FOLDER TITLE:
Medicare Drugs Event [Folder 1]

2012-0463-S
rc696

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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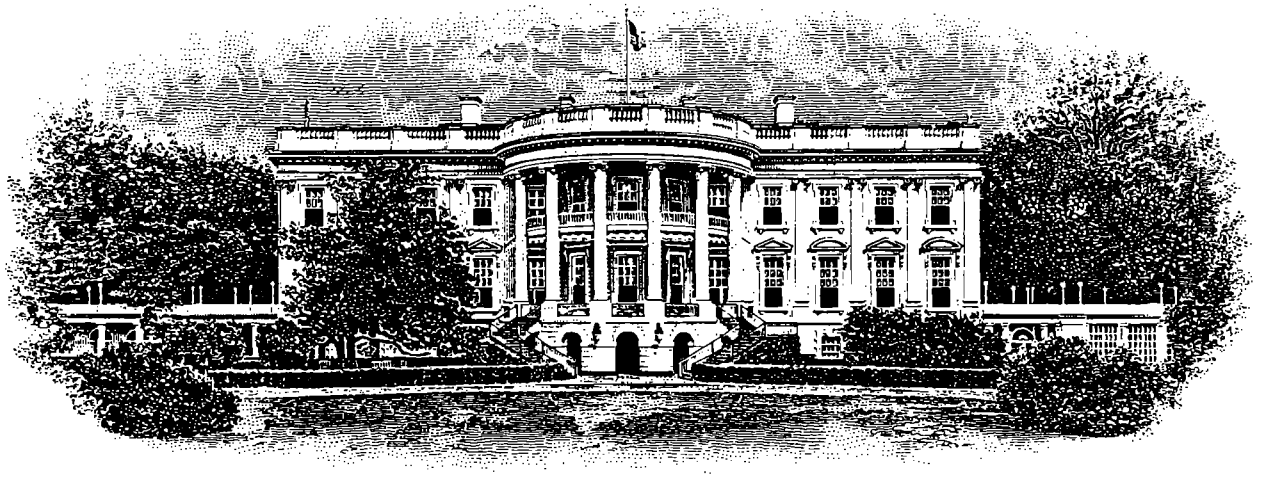
The White House



THE WHITE HOUSE

WASHINGTON

October 24, 1999

MEDICARE AND PRESCRIPTION DRUG EVENT

DATE:	October 25, 1999
LOCATION:	Presidential Hall
	OEOB Room 450
BRIEFING TIME:	9:30am – 9:50am
EVENT TIME:	10:00am – 10:45am
FROM:	Bruce Reed, Mary Beth Cahill, Chris Jennings

I. PURPOSE

To criticize the pharmaceutical industry for its advertising campaign against a Medicare drug benefit for all beneficiaries; to direct HHS to produce its first study on drug costs and trends; and to announce that your Social Security legislation will reserve one-third of the non-Social Security surplus for Medicare and challenge Congress to pass it.

II. BACKGROUND

Today, you will make a series of announcements to refocus the nation and the Congress on the need to strengthen and modernize Medicare, including the provision of a long-overdue prescription drug option. You will: (1) criticize the pharmaceutical industry for its multi-million dollar campaign designed to kill a Medicare drug benefit for all beneficiaries; (2) direct HHS to produce its first study on drug costs and trends, documenting problems faced by Medicare beneficiaries; and (3) announce that your Social Security legislation will reserve one-third of the non-Social Security surplus for Medicare and challenge Congress to pass it. Last Friday, Vice President Gore also expressed his concern about the inability of older and disabled Americans to access affordable prescription drugs. Today, you will:

- **Criticize the destructive, multi-million dollar, industry-sponsored campaign against a Medicare prescription drug benefit**. Despite widespread support among Republicans and Democrats for some type of prescription drug benefit for Medicare beneficiaries, no action has been taken in this Congress – in part because of the deceptive, multi-million dollar advertising campaign launched by opponents. Citizens for Better Medicare, a group organized and primarily funded by the pharmaceutical industry, is sponsoring TV, radio and print advertisements that include several myths about your plan for a prescription drug benefit. These myths include:

- **"Big government in my medicine cabinet."** This is false. Your proposal assures that all classes of drugs are covered – and that any doctor can prescribe a drug that is medically necessary without constraints. No government restrictions would be imposed, nor does your plan include price controls. It relies on private benefit managers, chosen through a competitive process, to structure the coverage policies. This is exactly the way that the best-managed private employers pay for drugs. In fact, your plan would actually increase, not decrease, choice of medicines since it would give the tens of millions of Medicare beneficiaries with undependable, expensive coverage, or no coverage at all the option to buy basic coverage at an affordable price.

- **"All seniors will be forced into a government-run plan."** Again, this is a false claim intended to scare seniors. Your drug benefit is purely optional – if beneficiaries want to keep their current coverage, they can. Unfortunately, very few seniors have decent, dependable options today. In just the past four years, the number of firms offering retiree coverage dropped by 25 percent. Your plan actually provides employers over $10 billion in incentives to offer and continue prescription drug coverage. And the plan is not "government-run" since beneficiaries choose coverage through either private drug benefit managers or Medicare managed care plans.

You will urge the drug industry to be more constructive as you work to forge a consensus on critical Medicare reform legislation. You will emphasize that America's elderly deserve more than the industry's evasive scare tactics.

- **Direct HHS to produce its first study on prescription drug costs and trends.** You will direct Secretary Donna Shalala to produce the first-ever Health and Human Services (HHS) study of prescription drug costs and trends for Medicare beneficiaries with and without coverage. The study, which will be released within 90 days, will investigate:

  - Price differences for the most commonly used drugs for people with and without coverage;

  - Drug spending by people of different ages, as a percentage of income and as a percentage of total health spending; and

  - Trends in drug expenditures by people of different ages, as a percentage of income and total health spending.

  This study will build on two Administration studies released in 1999 that examined coverage patterns and trends for Medicare beneficiaries and decreases in Medicare managed care plan coverage of prescription drugs. You will also announce that you have directed your staff to produce a state-by-state analysis of the need for Medicare reform.

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These reports will lay the foundation for an informed public debate about prescription drug coverage.

- **Announce that today you will send Congress legislation to reserve one-third of the non-Social Security surplus for Medicare and challenge the Congress to pass it.** In your radio address on October 23, you announced that you would send to Congress legislation that protects the Social Security surplus, extends the solvency of Social Security through 2050, and pays off the debt. Today, you will announce that this legislation will also reserve one-third of the non-Social Security surplus for Medicare. This reserve can be used to extend Medicare's solvency and help fund a prescription drug benefit. The precise allocation of these reserved funds will be left open to provide flexibility to develop a broad-based Medicare reform proposal that can generate bipartisan support. You will challenge Congress to pass the legislation you are submitting this week, emphasizing that it lays the foundation for necessary Medicare and Social Security reforms next year.

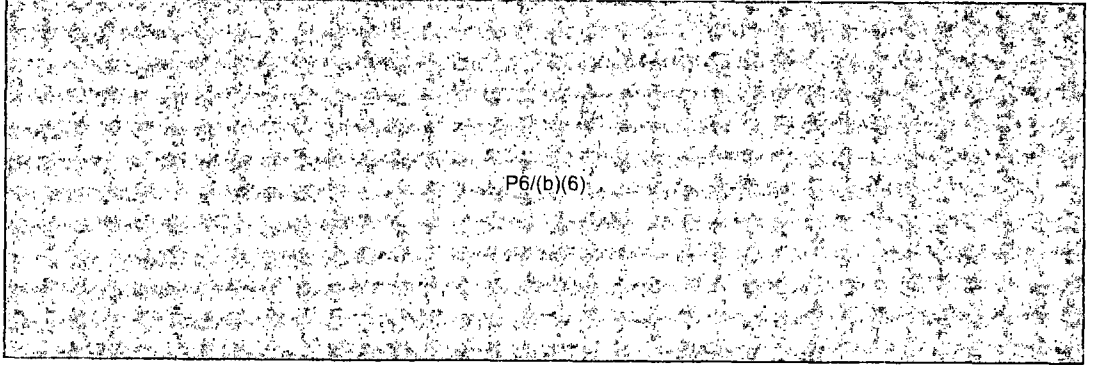
III. PARTICIPANTS

Briefing Participants:
Bruce Reed
Gene Sperling
Mary Beth Cahill
Loretta Ucelli
Chris Jennings
Lowell Weiss

Program Participants:
YOU
Secretary Donna Shalala
Coleen Kayden, Community Pharmacist

Coleen Kayden has been a practicing pharmacist in Lancaster County, PA for 21 years. The majority of her clients are elderly. In the course of her practice she sees many seniors who ration their medications because they are unable to afford to fill their prescriptions regularly.

Steven Callus, Senior and Medicare Beneficiary



C001

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto the stage, accompanied by Secretary Donna Shalala, Coleen Kayden, and Steven Callus.
- Secretary Donna Shalala will make brief remarks and introduce Coleen Kayden.
- Coleen Kayden, pharmacist, will make brief remarks and introduce Steven Callus.
- Steven Callus, Senior and Medicare beneficiary, will make brief remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and depart.

VI. REMARKS

To be provided by speechwriting.

Lowell A. Weiss
10/24/99 08:56:09 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: medicare -- 8:40 pm draft

Draft 10/24/99 8:40pm
Lowell Weiss

PRESIDENT WILLIAM J. CLINTON
REMARKS ON MEDICARE AND PRESCRIPTION DRUGS
THE WHITE HOUSE
October 25, 1999

Acknowledge: introducer Steven Callus; pharmacist Colleen Kaydeen; Sec. Shalala; I would also like to thank all of the advocates here today who have been working so hard in support of Medicare reform.

Back in January, in my State of the Union Address, I spoke of the generations of Americans who had answered their nation's call to greatness in our century - overcoming Depression, bringing down barriers to racial prejudice, winning two world wars and the "long twilight struggle" of the Cold War. And I spoke of our generation's historic responsibility to meet one of the greatest challenges of our time - the aging of America. Nearly seven years of fiscal discipline have given us an unsurpassed opportunity to address this challenge by securing, strengthening, and modernizing Medicare for the 21st Century.

No one should have to make the kind of choices that Mr. Callus and Ms. Kaydeen spoke of a few moments ago. No senior citizen in America should have to forgo or cut back on life-saving medication because they just can't afford the cost. Neither should any senior be forced to get on a bus to Canada, where the same medicines often cost far less. Just three days ago, the Vice President held up the example of one of the most popular drugs for lowering cholesterol. In Canada, 60 tablets cost $44 dollars. In New Hampshire, you're lucky if you get it for $102. This is wrong. We can do better. We must strengthen Medicare for the long term - and help our seniors get affordable prescription drugs.

The debate over Medicare is about more than politics and budgets. It is about real people, like Mr. Callus, for whom Medicare is a vital lifeline. And it is about our values - what we stand for as a nation. For 34 years, Medicare has enhanced the health of our seniors, enriched the lives of people with disabilities, and it has eased the financial burdens on families as they cared for their loved ones. Before our forward-looking forbears created Medicare,

nearly half our seniors didn't have any health coverage at all.

Today, Medicare is at a crossroads. With people living longer and the Baby Boomers set to retire, the Medicare Trust Fund is on pace to be depleted in 15 years. By combating fraud and making Medicare more efficient, we have already added life to the Trust Fund. But now we must go further. We must take the responsible steps to ensure that we Baby Boomers will not be a burden on our children.

This past June, I presented a comprehensive, fiscally responsible plan that would extend the solvency of Medicare - while at the same time modernizing it to keep pace with the changes in our medical system and our medical needs. To modernize, I proposed to introduce innovations now used in private-sector to keep quality high and costs low. I said we should remove barriers to preventive tests for cancer, diabetes, osteoporosis, and other diseases. And, most important, I called for adding a prescription drug benefit, so that older Americans will never again have to go without the medication they need.

As Sec. Shalala just said, adding prescription drug coverage is not just the right thing to do. It's the smart thing to do. Thanks to the scientific revolution that has transformed medical care, many prescription drugs can now accomplish what could have been done only through surgery a generation ago - and they can do it with far less pain and at far less cost. Consider the irony of this: We already pay for doctor and hospital benefits, but we let many of our seniors go without prescription drugs and preventive screenings that could keep them healthy - and keep them from having to undergo far more expensive treatments. It just doesn' t make sense.

Unfortunately, the Republican leadership in Congress has refused altogether to consider adding a prescription drug benefit, ringing the death knell for meaningful Medicare reforms this year. The Congress is joining with me to work to alleviate undue strain on hospitals, nursing homes, home health agencies, and other providers - and that is a good thing. But by ignoring the need for a prescription benefit, Republican leaders have squandered a golden moment. They have left more than 13 million seniors without any prescription drug coverage - and millions more with coverage that is inadequate and unreliable at best.

Just think of what that means in human terms. Think of the seniors on fixed incomes, like Mr. Callus, who are paying $1,000 to $2,000 a year out of pocket. Think of the men and women falling prey to illnesses just because they can't afford proper doses of the miracle drugs that could easily keep them well. Asking us to wait for Medicare reform is telling seniors they'll have to wait for life-saving drugs. It is unacceptable. It's irresponsible. And I will not give up the battle to set things right.

First, I am going to set the record straight. One of the key reasons why the Congress took no action on prescription drugs was because the pharmaceutical industry reportedly spent more than $14 million dollars on an all-out media campaign filled with flat-out falsehoods. In ads featuring a fictional senior named Flo, the special interests say that our Medicare proposal would put "big government in [your] medicine cabinet" and "all seniors will be forced into a

government-run plan." The truth is, in my Medicare plan, there would be no government restrictions of any kind. Doctors would be able to prescribe any needed drug for any patient at any time. And besides, my drug benefit would be purely optional. If seniors want to keep their current coverage, they can.

I will not stand by and watch the pharmaceutical industry go on distorting this debate. I will do everything in my power to expose the industry's deceptions and give Americans the facts. At the same time, I will continue to urge the industry to reject their destructive strategy and opt for constructive dialogue. Expanding access to affordable prescription drugs can and should be a win-win proposition the pharmaceutical industry and seniors alike.

Second, to illustrate to Congress that the failure to add a prescription drug benefit has consequences, I am going to gather clear, indisputable evidence of what this failure costs in physical and financial terms. Today, I am directing Sec. Shalala to produce a sweeping study - the very first of its kind - to examine prescription drug costs in America. In 90 days, Sec. Shalala will present me with an analysis on what the most commonly prescribed drugs cost for those with and without coverage, to help us assess whether people without coverage are paying too much. The analysis will also report on trends in drug spending by age and income, to help us document the increasing toll high drug costs are taking on our seniors, people with disabilities, and their families. Combined with a state-by-state analysis on our senior's prescription drug needs which I have already ordered, this new cost study should help to lay the foundation for a more informed debate this coming year.

Finally, as part of my plan to safeguard the Social Security surplus, today I am sending to Congress legislation that would reserve one third of the non-Social Security surplus for extending the solvency of Medicare and for funding a prescription drug benefit. I stand ready to work with Congress, across party lines, on crafting a Medicare reform plan that has the best chance of gaining bipartisan support. But even if Congress won't pass legislation to modernize Medicare this fall, it can and should adopt this proposal for protecting the Social Security surplus. I challenge the Congress to pass this legislation as part of the final budget negotiations now underway - to ensure that Social Security and Medicare will have the resources they need to meet the challenges of the new century.

We are already in the final week of October, and yet Congress still has not completed the work they were sent to Washington to do. Congress has not completed work on a budget that reflects the values of the American people. They have not lived up to their commitment to add 100,000 teachers and reduce class size. They have not given our families the vital protections of a Patients' Bill of Rights. They have not yet fixed the flawed system that prevents people with disabilities from joining the world of work.

But I am convinced that if we work together, there's still time to get things done. We can still make this a season of progress. We can still meet our historic responsibility to meet the greatest challenges of our time.

REMARKS BY COLEEN KAYDEN

Thank you, Secretary Shalala.

Good morning, Mr. President and other distinguished guests.

There has been much discussion on Capitol Hill recently about the need for prescription medication coverage for seniors. This is one of the biggest challenges facing the health care community today. It is critical we work together to find a solution.

Everyone here today is committed to ensuring that America's Medicare beneficiaries, our parents and grandparents, are able to access the prescription medication coverage that is so critical to quality medicine and essential to a healthy future.

Mr. President, I have been a pharmacist for 21 years and have spent the last 13 years practicing in the same community pharmacy. Every day, I meet older Americans coming in to the pharmacy in the hope that their insurance or Medicare coverage will pay for the latest medications prescribed by their physician.

Unfortunately, limited managed care benefits and stop gap policies, along with increasing out-of-pocket costs, prevent senior citizens from receiving the medications that can mean choosing between an independent, high-quality life at home, or entering a hospital or long-term care facility.

For those seniors who do manage to live in their own homes, the cost of prescription medication often causes them to choose between visits to their grandchildren or taking their cholesterol medication. Between making repairs to their home or purchasing blood pressure medication. Between paying the utility bill or compromising their diabetes treatment.

Mr. President, this is not a partisan issue. There are members of Congress on both sides of the aisle that want to do the right thing. But my patients are forced to make these tough choices because Congress has not made tough choices of their own.

So my patients try to compromise. Every pharmacist in America can relate a story concerning patients who have "stretched" their medications by taking half the dose, taking a pill every other day or twice a week, or "only when I really feel bad". Seniors use partial prescriptions for severe infections and "save" the rest for another time when they might not feel well.

Any physician or pharmacist will tell you that these scenarios are a prescription for disaster and can have very serious consequences for patients.

People object to including a prescription drug benefit option in Medicare for all beneficiaries because they say its too expensive. This "bottom line" mentality in financing prescription coverage for senior citizens is very costly – in quality of life for our citizens and in the quality and integrity of our health care system.

Mr. President, the real "bottom line" is that short sighted financial policies regarding prescription coverage for senior citizens are costing the health care system and the general population a fortune in unnecessary hospitalizations, long-term care admissions, and overall health.

Mr. President, your proposal to provide prescription medication at a price that Medicare beneficiaries can afford is a critical first step towards ensuring that America's seniors can access the health care they need, and I congratulate you for your leadership.

It is imperative that the pharmaceutical industry, Congress, insurers, pharmacists and physicians all play a role in this issue. I hope, that by coming here today, I and my fellow pharmacists can be part of the solution.

It is now my pleasure to introduce Steven Callus, whose story represents the experience of millions of seniors.

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PRESIDENT REBUFFS DRUG INDUSTRY ADS, ORDERS STUDY ON DRUG COSTS, AND ANNOUNCES NEW SURPLUS RESERVE FOR MEDICARE
October 25, 1999

Today, the President will make a series of announcements to refocus the nation and the Congress on the need to strengthen and modernize Medicare, including the provision of a long-overdue prescription drug option. He will: (1) criticize the pharmaceutical industry for its multi-million dollar campaign designed to kill a Medicare drug benefit for all beneficiaries; (2) direct HHS to produce its first study on drug costs and trends, documenting problems faced by Medicare beneficiaries; and (3) announce that his Social Security legislation will reserve one-third of the non-Social Security surplus for Medicare and challenge Congress to pass it. Last Friday, Vice President Gore also expressed his concern about the inability of older and disabled Americans to access affordable prescription drugs. Today, the President will:

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    - **"Big government in my medicine cabinet."** This is false. The President's proposal assures that all classes of drugs are covered – and that any doctor can prescribe a drug that is medically necessary without constraints. No government restrictions would be imposed, nor does the President's plan include price controls. It relies on private benefit managers, chosen through a competitive process, to structure the coverage policies. This is exactly the way that the best-managed private employers pay for drugs. In fact, the President's plan would actually increase, not decrease, choice of medicines since it would give the tens of millions of Medicare beneficiaries with undependable, expensive coverage, or no coverage at all the option to buy basic coverage at an affordable price.

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PRESIDENT REBUFFS DRUG INDUSTRY ADS, ORDERS STUDY ON DRUG COSTS, AND ANNOUNCES NEW SURPLUS RESERVE FOR MEDICARE
October 25, 1999

Today, the President will make a series of announcements to refocus the nation and the Congress on the need to strengthen and modernize Medicare, including the provision of a long-overdue prescription drug option. He will: (1) criticize the pharmaceutical industry for its multi-million dollar campaign designed to kill a Medicare drug benefit for all beneficiaries; (2) direct HHS to produce its first study on drug costs and trends, documenting problems faced by Medicare beneficiaries; and (3) announce that his Social Security legislation will reserve one-third of the non-Social Security surplus for Medicare and challenge Congress to pass it. Last Friday, Vice President Gore also expressed his concern about the inability of older and disabled Americans to access affordable prescription drugs. Today, the President will:

- **Criticize the destructive, multi-million dollar, industry-sponsored campaign against a Medicare prescription drug benefit**. Despite widespread support among Republicans and Democrats for some type of prescription drug benefit for Medicare beneficiaries, no action has been taken in this Congress – in part because of the deceptive, multi-million dollar advertising campaign launched by opponents. Citizens for Better Medicare, a group organized and primarily funded by the pharmaceutical industry, is sponsoring TV, radio and print advertisements that include several myths about the President's plan for a prescription drug benefit. These myths include:

    - **"Big government in my medicine cabinet."** This is false. The President's proposal assures that all classes of drugs are covered – and that any doctor can prescribe a drug that is medically necessary without constraints. No government restrictions would be imposed, nor does the President's plan include price controls. It relies on private benefit managers, chosen through a competitive process, to structure the coverage policies. This is exactly the way that the best-managed private employers pay for drugs. In fact, the President's plan would actually increase, not decrease, choice of medicines since it would give the tens of millions of Medicare beneficiaries with undependable, expensive coverage, or no coverage at all the option to buy basic coverage at an affordable price.

    - **"All seniors will be forced into a government-run plan."** Again, this is a false claim intended to scare seniors. The President's drug benefit is purely optional – if beneficiaries want to keep their current coverage, they can. Unfortunately, very few seniors have decent, dependable options today. In just the past four years, the number of firms offering retiree coverage dropped by 25 percent. The President's plan actually provides employers over $10 billion in incentives to offer and continue prescription drug coverage. And the plan is not "government-run" since beneficiaries choose coverage through either private drug benefit managers or Medicare managed care plans.

The President will urge the drug industry to be more constructive as he works to forge a consensus on critical Medicare reform legislation. He will emphasize that America's elderly deserve more than the industry's evasive scare tactics.

- **Direct HHS to produce its first study on prescription drug costs and trends.** The President will direct the Secretary Donna Shalala to produce the first-ever Health and Human Services (HHS) study of prescription drug costs and trends for Medicare beneficiaries with and without coverage. The study, which will be released within 90 days, will investigate:

  - Price differences for the most commonly used drugs for people with and without coverage;

  - Drug spending by people of different ages, as a percentage of income and as a percentage of total health spending; and

  - Trends in drug expenditures by people of different ages, as a percentage of income and total health spending.

  This study will build on two Administration studies released in 1999 that examined coverage patterns and trends for Medicare beneficiaries and decreases in Medicare managed care plan coverage of prescription drugs. The President will also announce that he has directed his staff to produce a state-by-state analysis of the need for Medicare reform. These reports will lay the foundation for an informed public debate about prescription drug coverage.

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