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Folder Title:
Informal Discussion with Nursing Home Residents

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THE WHITE HOUSE

WASHINGTON

September 17, 1995

REMARKS TO NURSING HOME RESIDENTS AND FAMILIES

DATE: Wednesday, September 20, 1995
TIME: 10:00am
LOCATION: Little Sisters of the Poor
Denver, CO
FROM: Alexis Herman

I. PURPOSE

To address the intergenerational importance of maintaining an adequate level of funding for Medicaid.

II. BACKGROUND

The Little Sisters of the Poor is a nursing home serving mostly Medicaid recipients. The facility provides several levels of care, offering residential living as well as skilled and intermediate nursing care. They have 67 beds, including 20 which are independent living. Mother Patricia Friel is the Administrator.

The Denver Little Sisters of the Poor is part of an organization founded in 1830 to care for the aged poor throughout the world -- the Denver facility was established in 1916. The Little Sisters of the Poor is an order of Catholic religious women dedicated to serving the elderly.

The audience for your remarks is comprised of the nursing home residents and members of their families.

III. PARTICIPANTS

The President
Governor Roy Romer
Mother Patricia Friel
A Resident of the nursing home.

IV. PRESS PLAN

Open press.

V. SEQUENCE OF EVENTS

- Proceed to stage.
- Mother Patricia makes opening remarks and introduces Governor Romer.

- Governor Romer makes brief remarks and introduces the nursing home resident.
- A nursing home resident (to be determined) introduces The President.
- Your remarks.
- Proceed to rope line.
- Depart.

VI. REMARKS

To be prepared by Communications.

VII. ATTACHMENTS

None.

THE WHITE HOUSE

WASHINGTON

September 17, 1995

INFORMAL DISCUSSION WITH NURSING HOME RESIDENTS AND THEIR FAMILIES

DATE: Wednesday, September 20, 1995
TIME: 9:30 am
LOCATION: First Floor Lounge
Little Sisters of the Poor
Denver, Colorado
FROM: Alexis Herman

I. PURPOSE

To highlight the intergenerational importance of the Medicaid program.

II. BACKGROUND

The Little Sisters of the Poor is a nursing home serving mostly Medicaid recipients. The facility provides several levels of care, offering residential living as well as skilled and intermediate nursing care. They have 67 beds, including 20 which are independent living.

Mother Patricia Friel, the administrator, has been managing this facility for two years. The average age of the residents at this facility is 80 years old, however, one resident is a 101 year old gentleman who served in World War I.

The Denver Little Sisters of the Poor is part of an organization founded in 1839 to care for the aged poor throughout the world -- the Denver facility was established in 1916. The Little Sisters of the Poor is an order of Catholic religious women dedicated to serving the elderly.

The informal discussion will include two residents of the nursing home and members of their family (additional information attached). Mother Patricia will begin the discussion by welcoming you to their facility and commenting on the importance of Medicaid to many of their residents. She will turn the conversation over to you. Helen Cooper, 91 years old, is prepared to receive an opening question from you to help begin the dialogue regarding the importance of Medicaid to her.

III. PARTICIPANTS

The President
Governor Roy Romer
Archbishop Francis Stafford
Mother Patricia Friel (she will introduce herself as Sister Patricia, but is called Mother Patricia)
Helen Cooper, 94 years old.
Cece Cooper, 57 years old.
Daniel Ely (e-lee), 67 years old.
Reynalda Garcia, 83 years old.
Evangeline Landford (the 'e' is silent, 'vangeline'), 49 years old.
Ramona Sena, 53 years old.

IV. PRESS PLAN

Pooled Press.

V. SEQUENCE OF EVENTS

- Enter first floor lounge area.
- Greet participants.
- Mother Patricia will make brief opening comments.
- Your opening comments.
- Pose a question or comment to Helen Cooper to begin the discussion.
- Mother Patricia will bring to a close the discussion.
- Depart the lounge area.

VI. REMARKS

Talking points to be prepared by Communications.

VII. ATTACHMENTS

- Background on participants.
- Background on the Little Sister of the Poor.
- Medicaid background materials and Colorado Medicaid impact numbers.

BACKGROUND ON THE PARTICIPANTS
OF THE DISCUSSION AT LITTLE SISTERS OF THE POOR

GOVERNOR ROY ROMER
Will be sitting in on the discussion with the residents and their families.

ARCHBISHOP FRANCIS STAFFORD
The Arch Bishop will be greeting the President at the entrance to the Little Sister of Poor and may be sitting in on the discussion. The Archbishop's own mother was a resident of this nursing home facility until her passing last year.

MOTHER PATRICIA FRIEL
Administrator of the Little Sisters of the Poor nursing facility. She goes by "Mother Patricia".

HELEN COOPER
A former Houston resident, 94 year old Helen Cooper is confined to a wheelchair and uses a hearing aid, but is in full possession of her mental faculties. She has been at the Little Sisters of the Poor for approximately eight years and requires Medicaid coverage for her care.

CECILE (CECE) COOPER
Cece Cooper is the 57 year old daughter of Helen Cooper. Cece is retired with her husband Daniel Ely, but she works part-time at the Senior's Resource Center in Denver to help stretch their Social Security check.

DANIEL ELY (E-LEE)
Sixty-seven year old Daniel Ely is the son-in-law of Helen Cooper. With his wife Cece, Daniel is retired, but he works part-time driving a senior citizen transit bus to help make ends meet.

REYNALDA GARCIA
Reynalda Garcia is 83 years old and confined to a wheelchair. During the late 1970s she participated in a senior day care program, but became a resident of Little Sisters of the Poor in 1980. A homemaker during the childhood years of her children, she later worked at Miller Bakery in Denver. A Denver native, Mrs. Garcia has two daughters. Mrs. Garcia's care is paid for by Medicaid.

RAMONA SENA
Ramona is the 53 year old daughter of Reynalda Garcia. Ramona has worked for many years at Martin Marietta in Denver. She and her husband John Lilly have two children and two grandfather. Their youngest child is in college and Ramona commented on the struggle their family would have between their son's college education and her mother nursing home care if Medicaid were cut.

EVANGELINE (VAN-GE-LINE) LANDFORD
Evangeline Landford is the 49 year old daughter of Reynalda Garcia and is the divorced mother of 2 sons and 2 daughters. Evangeline has worked for many years at a local retail furniture store and has struggled to put her four children through college.

LITTLE SISTERS OF THE POOR
3629 West 29th Avenue
Denver, Colorado 80211
(303) 433-7221

HISTORY & STATEMENT OF PURPOSE

The Little Sisters of the Poor, an organization founded in 1839 to care for the aged poor, came to Denver in 1916. From 1839 until today, communities of the Little Sisters operating throughout the world have cared for over one million aged men and women, regardless of race, creed, sex or national origin.

Within a Home that is common to both the Sisters and their residents, various levels of care are provided, offering a continuum of service which permits the individual to experience security during old age. While helping the aging person to adjust, the Little Sisters strive to encourage, motivate and inspire him or her to live a full life.

The Home serves elderly persons from throughout the Rocky Mountain area. The Home is licensed under the statutes of the State of Colorado to provide Skilled and Intermediate Nursing Care. It provides programs in occupational therapy, physical therapy, recreational services and social rehabilitation. Dietary services, including the provision of prescribed therapeutic diets, laundry and linen service, and reassessment of patient needs by a physician-staff review committee are included in the facility's basic services.

Social services and activity programs are operated in collaboration with other community agencies. These help the resident remain integrated in the community and assist in adjustment to the Home.

Pharmacy services, laboratory and x-ray, podiatry, dental care and beauty shop and barber services are provided. There is assurance of hospital transfer if necessary.

Residents of the Home are for the most part Medicaid recipients. The cost of their care is met by application of Social Security benefits, other retirement pensions and supplemental welfare benefits. This method of reimbursement generates a constant deficit which must be supplied by the Sisters' own fund-raising efforts, by bequests and by gifts from Foundations, corporations and individuals.

The evaluation of the Home's objectives originates from within the Provincial Administration to the Congregation of the Little Sisters of the Poor, within the local organization structure of the Home itself, and from authorized agencies of Governments of the United States, the State of Colorado and the City of Denver.

Yearly surveys of the facilities are made by a team of Little Sisters organized for this purpose, based in Illinois, the Provincial headquarters of the Little Sisters. The religious, social, medical and nursing programs and the financial operation of the home are reviewed and evaluated by Sisters qualified in these areas, and directives for updating and improvement are made. Each Home has established a committee for the review of patient care policies. It is the responsibility of the group to keep these policies current and in conformity with the latest regulations, and to provide procedures for their implementation. There are monthly department head meetings as well as meetings on a departmental level.

Residents are not required to attend religious services. A Catholic chapel is an integral part of the Home and services are held for all who wish to attend. Clergymen of other faiths are invited to conduct services or conferences for residents of their respective faiths.

The Little Sisters of the Poor are religious women with a common interest - to provide loving care each day to the elderly with whom they share their lives.

An introduction to the Little Sisters of the Poor

On Six Continents

The Congregation of the Little Sisters of the Poor numbers nearly 4,000 sisters, serving 22,000 elderly persons in over 200 Homes. Thirty-two of these Homes are in the U.S. and Canada.

Many of the other 28 countries in which the Little Sisters serve are developing countries. The Congregation has been in India since 1882. A rapid missionary expansion followed, not only in Asia, but also in Latin America, Australia, the Pacific Islands, and most recently, in the People's Republic of the Congo, Nigeria, Kenya and, in the United States, in Gallup, New Mexico.

These "mission" Homes are aided by those in the more developed nations and are a source of vitality for the entire Congregation.

Beginnings in the U.S.

The first Little Sisters to come to the New World arrived in New York on September 13, 1868. With the help of Father Ernest Lelièvre, a French priest who devoted his life to the service of the Congregation, thirteen Homes were founded within the next four years. After Father Lelièvre returned to France, many more foundations were made, and three U.S. provinces were erected.

After a century of service, many of the original Homes could no longer meet exacting fire safety and building codes. These have been consolidated, in some cases, or rebuilt through the generosity of our friends and benefactors.

Sisters to the Elderly since 1839

Founded in 1839 in France by Jeanne Jugan, the Little Sisters of the Poor welcome the needy aged into their Homes, where they find security, friendship and the assurance of loving care in their later years.

For over 150 years, our life has been linked to that of the elderly who suffer from diverse forms of poverty: sickness, infirmities, loneliness, insecurity, lack of family support or resources.

The Little Sisters not only administer their Homes, but they themselves assure the good functioning of each department with the help of a well-trained staff. Devoting themselves to the personal care of the Residents is a vital part of the Little Sisters' apostolic mission, which is sealed by a fourth vow of hospitality.

Supported by an active community life and a prayer life which permeates their days, the Little Sisters devote their time and energies to making the aged happy. They strive to help them deepen their relationship with God, if they so wish, according to each one's own beliefs and in a climate of complete liberty.

The apostolic mission of the Little Sisters is more relevant than ever today, with the elderly population in every country steadily increasing and more and more seniors finding themselves without family support and necessary resources.

Who are our Residents?

Since the Little Sisters' founding charism is the humble service of the needy aged, applicants to their Homes must be over 60 years of age, with very limited resources. Persons of every ethnic background and religion are accepted without distinction.

Most Residents are welcomed to a residential, or domiciliary area, where they can maintain their independence and enjoy all the activities of the Home. If they become ill or infirm, they are transferred to a nursing area, where they can continue to receive all the care that their condition requires.

We Are For Life!

Living in societies in which the value of a human life is often brought into question poses a serious challenge for the Little Sisters of today. It is the challenge of witnessing, in all circumstances, to the respect due to the human person and his or her right to life, a gift which we believe God alone may withdraw.

"Making the elderly happy, that is what counts!" Jeanne Jugan used to say. The Little Sisters strive to do this by discovering what the Residents' interests are and encouraging them to develop them to the fullest.

Making the elderly happy means believing in the value of their life.

When the elderly are faced with illness and infirmity, the Little Sisters strive to make these easier to bear by giving them the best possible care. Professionals from various disciplines work with them to help the Residents compensate for their disabilities and maintain their independence.

When the time of death approaches, the Little Sisters consider it a privilege to accompany each Resident on this last journey, surrounding him or her with thoughtful attention and spiritual support, and appropriate medical and nursing care.

Jeanne Jugan: Poor Among the Poor

Jeanne Jugan was born in Cancale, France, in 1792, during the French Revolution. After a childhood and adolescence spent in poverty and hard work—her father, a fisherman, was lost at sea—Jeanne felt impelled to serve Christ in her suffering brothers and sisters.

Sculpture: J. Dalou
Photo: C. Pease

In 1839, she carried an aged, infirm woman home, placed her in her own bed, and thus laid the foundations of the Congregation which still renews this same gesture throughout the world.

To meet with ever increasing demands, and encouraged by the Brothers of St. John of God, Jeanne (Sister Mary of the Cross, as she was called) went begging, and established a current of solidarity among all classes of society.

When she was later deprived of her role of foundress, and sent to live the rest of her days among the novices, she obeyed with humility. By her example she passed on to these young sisters the charism she had received in its integrity.

At the time of her death in 1879, her Congregation numbered 2,400 Little Sisters, caring for the aged poor in 10 countries in Europe, Africa and America.

She was beatified by Pope John Paul II on October 3, 1982.

The Preparation of a Daughter of Jeanne Jugan

A Little Sister's vocational journey typically begins with a "get-acquainted period" during which the young woman volunteers her time to help the Little Sisters in one of their Homes, shares in their prayer, and receives some guidance to help her discern her vocation.

After entrance into the Congregation, the candidate begins the *postulancy*, which is a period of transition and an experience of life in one of our Homes. The *novitiate*, a two-year period of study and spiritual growth, follows.

The years following temporary vows are spent working with the aged, and include a year of doctrinal study.

When the Little Sister is ready to make a permanent commitment, she prepares for this step by a full year of prayer and study with Little Sisters from all over the world at our motherhouse in St. Pern, France.

For more information about the vocation of a Little Sister, write:

St. Ann's Novitiate
Little Sisters of the Poor
110-39 Springfield Blvd.
Queens Village, N.Y. 11429

A VIBRANT "GOLDEN AGE"

Residents in the Little Sisters' Homes are encouraged to remain active and involved, not only in the life of the Home, but also in that of their family circle and their community.

A full range of services is available to help each Resident reach and maintain his or her maximum potential: pastoral programs, medical, nursing and rehabilitative services, dietary consultation and social services, recreational and creative arts programs.

Through the Residents' Council, the Residents participate in planning activities and communicate their suggestions and desires, thus assuming their share of responsibility for the running of the Home.

Whether it is shopping at the mall, visiting with youngsters from a local school, praying in the chapel or chatting in the coffee shop, the Residents are encouraged to pursue their own interests—after all, they're at home.

A LARGE AND LOVING FAMILY

One Christmas night, after a day of joyous celebration, a new Resident exclaimed, "Now I understand—we're a family here!"

It doesn't take long for most people who enter our Homes to come to this conclusion. And it isn't only the presence of the Little Sisters which creates the family spirit. From the very beginning, Jeanne Jugan involved people from all walks of life in her evangelical venture—and her Little Sisters continue to do the same.

To a businessman, Jeanne said one day, "If you'd like, sir, we can share the elderly today; you can feed them, and I'll take care of them." Without the help of our benefactors, we could never provide for the varied needs of our Residents.

Monetary gifts are not the only contribution that lay people can make. Members of the Fraternity Jeanne Jugan are lay women who commit themselves to live the spirituality and apostolate of Jeanne Jugan. They are the Little Sisters' closest collaborators in their work with the elderly.

Doctors, dentists, lawyers and other professionals often donate their services. Auxiliary groups and advisory boards undertake projects that render great service to the Little Sisters. And a veritable army of volunteers work in every area of the Home—providing extra joy, service and companionship for our Residents.

To unite and support this diverse network of benefactors and volunteers, the "Jeanne Jugan Association" was created. It witnesses to the value of aged persons and their mission in our society. Lay persons of all denominations are welcomed into the association, as well as priests and religious who are anxious to collaborate with the Little Sisters in some way for the good of the aged.

Meeting New Needs

Two new initiatives have helped the Little Sisters reach out to more elderly persons in need.

Many Homes have built or remodeled sections of the Home to create independent-living apartments for the well elderly, enabling them to enjoy the activities and security of being close to the Home, while maintaining their own living quarters.

Senior day centers within the Homes offer senior citizens nutritious meals, varied activities, and an opportunity for companionship.

A Fraternity Jeanne Jugan member welcomes a group of day center participants.

Instruments of Providence

Just as Jeanne Jugan was recognized by the begging basket she carried, today's Little Sisters are often known by their "begging van," in which they make their daily rounds to ask the help of the community in providing balanced meals, the necessary medical and nursing care, and a pleasant and stimulating "home" environment for their Residents.

The cost of caring for the elderly in a manner respectful of their human dignity far exceeds the income received by the Homes from the Residents' pensions, Social Security, Medicaid and other government funding. To cover the constant deficit, the Little Sisters rely on the generosity of the community.

Monetary contributions and gifts in kind are much appreciated and are used according to the intentions of the donors. Each Home of the Little Sisters is a non-profit corporation. Legacies and foundation grants permit the Little Sisters to modernize their equipment and carry out necessary renovations in order to meet the growing needs of today's elderly. The Little Sisters and the Residents pray and have Masses offered for their benefactors, who are truly instruments of God's Providence.

For more information about the Little Sisters of the Poor, contact:

LITTLE SISTERS OF THE POOR
3629 West 29th Avenue
Denver, Colorado 80211
303-433-7221

Or write:
Publications Office
Little Sisters of the Poor
601 Maiden Choice Lane
Baltimore, MD 21228

"Jeanne Jugan invites us especially to open our hearts to the elderly, so often neglected and set aside," said Pope John Paul II.

We welcome your collaboration, for ***our work has just begun!***

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995 Contact: 202/456-7150

COLORADO

The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than $182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Colorado would lose $2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Colorado could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 97,000 people in 2002, according to the Urban Institute, including:

- 10,700 older Americans;
- 16,800 people with disabilities; and
- 70,000 children and their families.

The Republican proposal would force Colorado to eliminate coverage for about 9,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 16,100 nursing home residents in Colorado. Medicaid also serves about 12,000 older Americans and people with disabilities using home care in Colorado. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of $38,000 per year nationally.

The Republican proposal would force Colorado to eliminate coverage for 48,000 children in 2002.* Currently, 14% of the children in Colorado rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 142,000 children in Colorado.

Colorado could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 34% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves $54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

Long-Term Care and "Medigap" for the Elderly

- Older Americans can get Medicaid if they:
  - In some states, have been impoverished by medical expenses.
  - Reside in an institution and cannot afford the full cost of care.
  - Are poor enough to qualify for SSI.
  - Are entitled to Medicare and have income at or slightly above poverty.

Long-Term Care and "Medigap" for the Elderly

- Over 4 million older Americans will be covered by Medicaid in 1995.
- Although most elderly are covered by Medicare, its benefits are limited. Because of high deductibles and copayments and no prescription drug coverage, the Medicare benefit is in the 20th percentile of benefit packages in the country.
- Medicaid pays for the services not covered by Medicare by paying for premiums and cost-sharing for all elderly at or slightly above the poverty threshold.
- Medicaid also covers long-term care for older Americans who have spent most of their resources and income on health care.

Medicaid Beneficiaries and Expenditures: 1995

Beneficiaries

	Millions of People	Percentage
Children	18	51%
Elderly	4	12%
Disabled	6	16%
Adults	8	21%
TOTAL	36	

Expenditures

	Billions of Dollars	Percentage
Children	$25	18%
Elderly	$43	32%
Disabled	$50	37%
Adults	$18	13%
TOTAL	$136	

Source: CBO estimates for fiscal year 1995.

* Excludes disproportionate share and administrative costs ($20 billion).

Medicaid Coverage and Spending

- Only 28 percent of the people enrolled in Medicaid are elderly and disabled, but they account for 69 percent of the spending.
- Conversely, while 72 percent of the people on Medicaid are children and their families, they account for only 31 percent of the spending.
- These contrasting statistics are due to the fact that health care costs for the elderly and the disabled are much more expensive than costs for children and their families.

Medicaid Coverage and Spending

- States and the federal government will spend an average of $3,700 per person on Medicaid in 1995.

- However, spending varies for the different people and types of coverage in the program. Medicaid spends about:

  - $1,400 per child.

  - $8,300 per person with disabilities.

  - $9,800 per elderly recipient.

What Medicaid Covers: Long Term Care

- Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Medicaid covers 68 percent of nursing home residents and over 50 percent of nursing home costs.

- Medicaid covers skilled nursing facility care, intermediate care facilities for the mentally retarded and developmentally disabled, and home-and-community-based services.

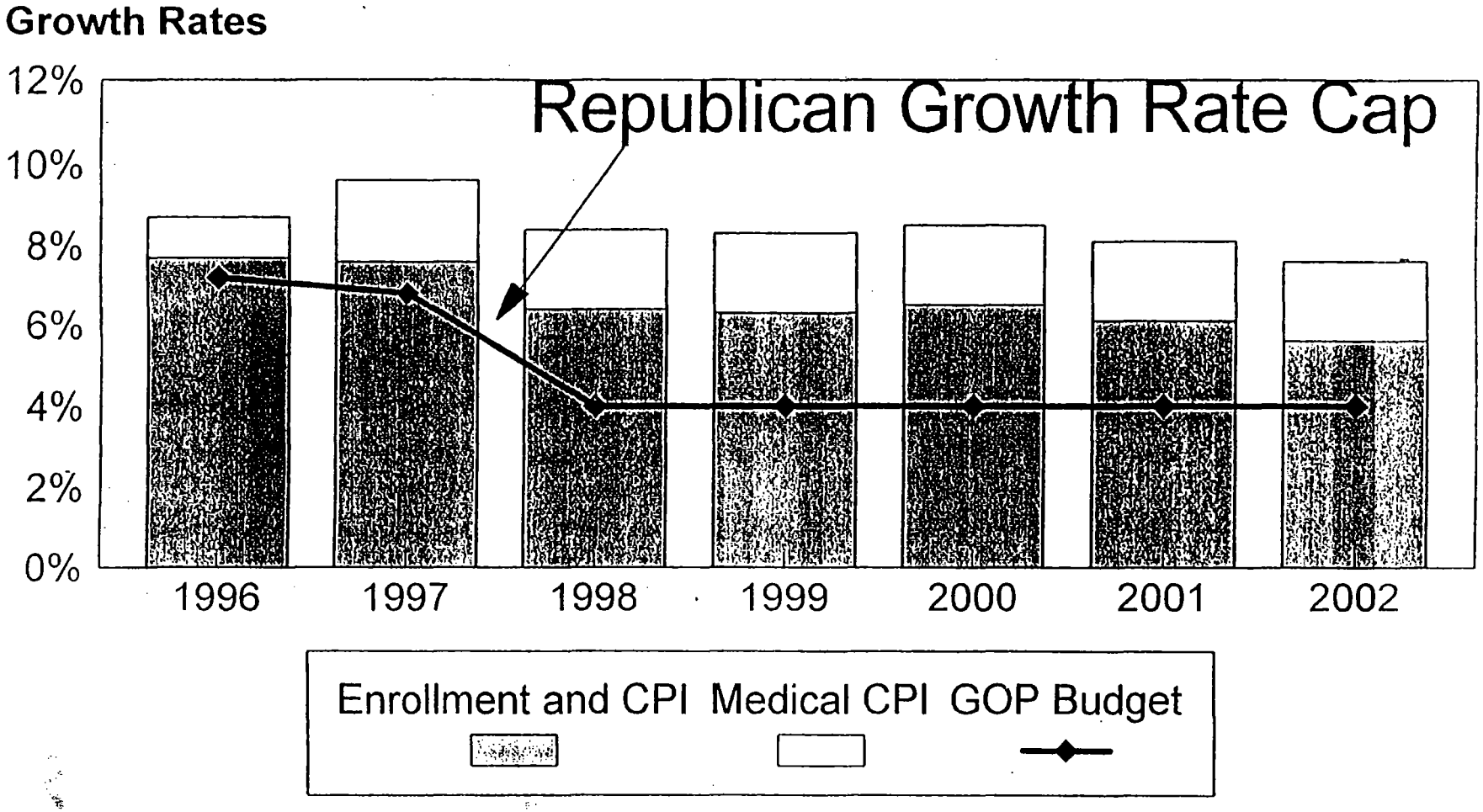
- Although most long-term care spending is for institutional care, Medicaid has made great strides in shifting the delivery of services to home and community settings.

- Cost-effective community-based long-term care increased from 13 to 21 percent of long-term care spending between 1990 and 1995.

The Republican Budget Resolution:
Options for Reaching this Level of Cuts

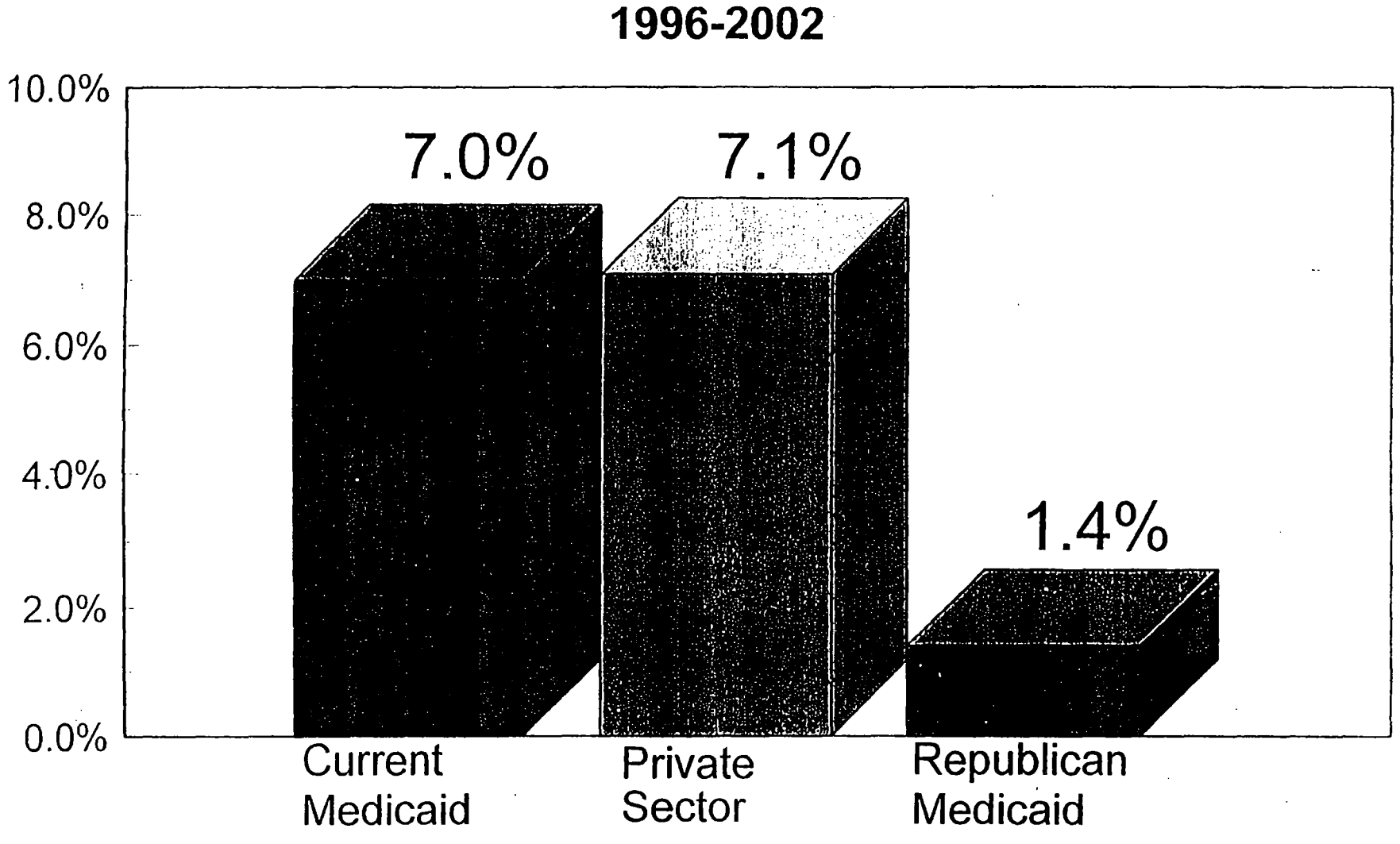
- There are three ways for states to cut this much (20 percent) from Medicaid:
  - Reduce benefits or provider payments.
  - Eliminate coverage for people on Medicaid.
  - Find savings through increased efficiency and productivity.

Republican Medicaid Spending Limits Don't Keep Up With Inflation



CBO projected annual increases, fiscal years 1996 - 2002.

Medicaid Growth Per Beneficiary:
Effect of the Republican Proposal



ırce: CBO Projected Baseline for Fiscal years 1996-2002.

The Republican Budget: Unprecedented Cuts

- Republicans say their Medicaid proposal is not a cut. However, a 1.4 percent cap on growth per beneficiary is a cut in real terms. It is:
  - 80 percent below the projected private health spending per person (7.1 percent).
  - 75 percent below projected medical inflation (5.3 percent).
  - 50 percent below the projected consumer price index (3.3 percent).

The Republican Budget Resolution: Unprecedented Cuts

- The Republican Budget Resolution would cut Medicaid by 20 percent -- $182 billion over the next 7 years.

- The Republicans would achieve these savings by imposing a 4.5 percent average annual growth rate cap on aggregate spending. That is less than enrollment growth plus inflation.

- **Taking enrollment growth into account, the Republican Budget would limit growth in Medicaid spending per person to only 1.4 percent annually.**

Medicaid Spending Growth Per Person is Low

- Since Medicaid enrollment growth is high, it distorts the overall Medicaid spending growth. Thus, when comparing Medicaid to other health programs, it should be done using Medicaid growth per beneficiary.

- **Medicaid spending per beneficiary is projected to grow at 7 percent per year between 1996 and 2002.**

- This growth rate is the same as the projection of the private health insurance spending per insured person under the CBO baseline.

Enrollment Growth Drives Medicaid Spending Growth

- Medicaid growth is largely driven by enrollment growth, especially among the elderly and disabled. According to CBO, about 45 percent of the total spending increases results from a rising number of people in the program.

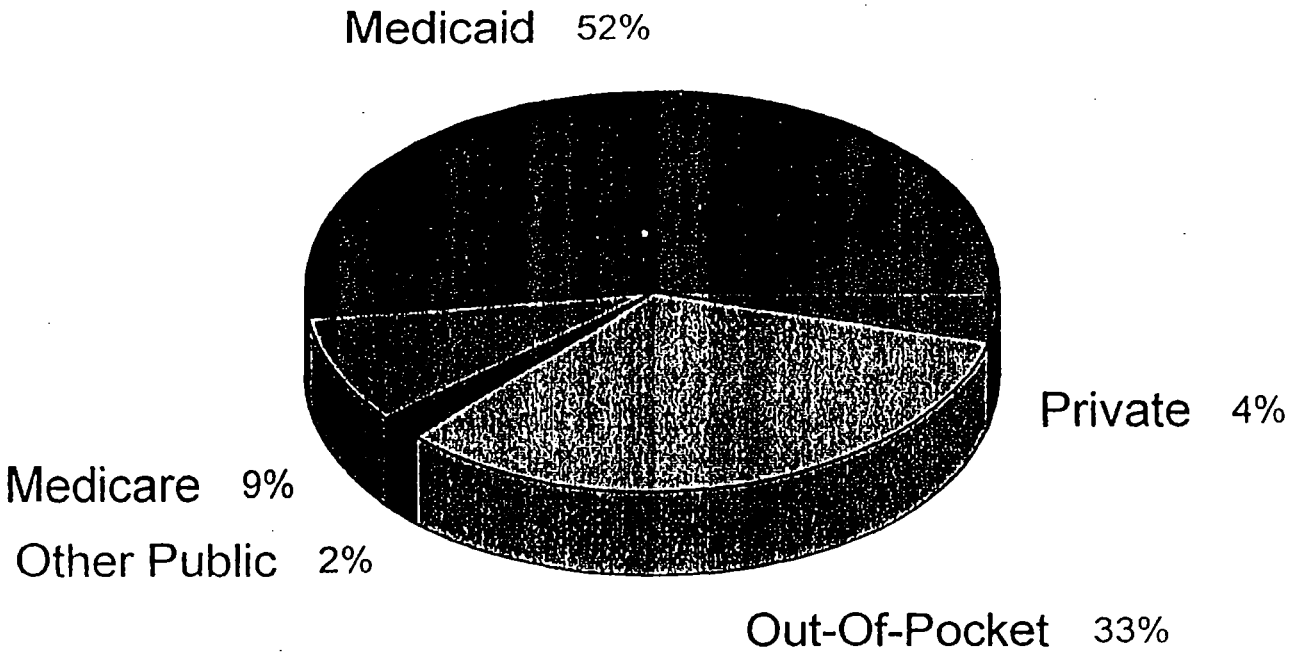
- The number of Medicaid beneficiaries is projected to grow by 3.0 percent a year between 1996 and 2002 -- more than three times the general population growth, and twice the growth in the number of Medicare beneficiaries.

- Medicaid enrollment growth reflects the fact that the population is aging. The number of aged and disabled beneficiaries is growing at 4.6 percent per year -- almost twice the rate for adults and children, whose projected average growth rate is 2.4 percent.

The Republican Budget Resolution:
Nursing Home Residents Will Lose Coverage

- Over two-thirds of nursing home residents rely on Medicaid to pay the staggering costs of nursing home care.
- On average, families pay $38,000 per year for nursing home care.
- A deep cut in Medicaid would mean that about 350,000 residents of nursing home could lose coverage in 2002.
- For many of these residents, there is nowhere to turn. Two-thirds of nursing home residents are elderly women, and a majority have no spouses.

Nursing Home Care Expenditures: By Payer, 1993



SOURCE: Health Care Financing Administration

The President's Plan

- The President's Medicaid plan is preferable to the Republicans' plan because:
  - It protects states from changing economic and demographic conditions.
  - It gives states flexibility to manage their programs efficiently and responsively.
  - It protects against increases in the number of uninsured, thus avoiding increases in uncompensated care and cost-shifting.
  - Together with the President's health reform initiative (insurance reform, small business purchasing cooperatives, and insurance assistance for the temporarily unemployed), it protects and expands health care coverage.

The President's Plan

- The President's plan constrains Medicaid growth through a mix of policies, including:
  - Eliminating unnecessary federal strings on states by allowing states to pursue service delivery innovations without seeking federal waivers and by restructuring the Boren Amendment.
  - Reducing and better targeting federal payments to states for hospitals that serve a high proportion of uninsured people.
  - Limiting the growth in federal Medicaid payments to states for each beneficiary (i.e., a per capita cap), so that states do not need to reduce coverage to achieve savings.

The President's Plan

- The President seeks $54 billion in Medicaid savings over seven years.
- The President's plan results in a more realistic growth in spending per beneficiary of 6.3 percent.
- This rate is much closer to the private sector growth rate of 7.1 percent.
- The President's savings from Medicaid are less than one-third of the reductions called for by the Republicans.

T/C Lee Myager & Andrea C. Hand delivered 9/20/95

Athlt

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 09/19/95 **ACTION/CONCURRENCE/COMMENT DUE BY:** ASAP

SUBJECT: PRESIDENTIAL REMARKS: REMARKS TO NURSING HOME RESIDENTS, DENVER, CO on 09/20

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	McGINTY	☐	☐
PANETTA	☑	☐	NASH	☐	☐
McLARTY	☐	☐	QUINN	☑	☐
ICKES	☐	☐	RASCO	☑	☐
BOWLES	☑	☐	SOSNIK	☐	☐
RIVLIN	☑	☐	STEPHANOPOULOS	☑	☐
BAER	☑	☐	STIGLITZ	☐	☐
EMANUEL	☐	☐	TYSON	☑	☐
GIBBONS	☐	☐	WEBSTER	☐	☐
GRIFFIN	☑	☐	WILLIAMS	☐	☐
HALE	☐	☐	JENNINGS	☑	☐
HERMAN	☑	☐	SPERLING	☑	☐
HIGGINS	☐	☐	HAAS	☑	☐
LAKE	☐	☐		☐	☐
LINDSEY	☐	☐		☐	☐
MIKVA	☐	☐		☐	☐
McCURRY	☑	☐		☐	☐

REMARKS: Please forward any comments directly to Michael Waldman.

RESPONSE:

Staff Secretary
Ext. 6-2702

Draft 9/19/95 9:30 pm

PRESIDENT WILLIAM J. CLINTON
REMARKS ON MEDICAID
LITTLE SISTERS OF THE POOR NURSING HOME
DENVER, COLORADO
September 20, 1995

[ACKNOWLEDGEMENTS]

I have come to Denver, to the Little Sisters of the Poor nursing home, to talk to you about Medicaid and what it means to families like yours across this country.

We are living through a period of profound change -- the most remarkable period of transformation since a century ago, when our parents and grandparents moved off the farm and forged an industrial power.

Throughout our history, these moments of change challenge us to consider our basic values, what we hold dear and what kind of lives we want to live. We believe in individual liberty and individual responsibility . . . that every American has an obligation to work, and that we all owe responsibilities to each other. These fundamental American values must guide our policies just as they guide our lives.

Medicare and Medicaid, at their best, reflect those values. They help families care for their parents without skirting their obligation to their children. They help our people -- who have worked hard all their lives -- live out their retirement in dignity and security.

Today we are engaged in a great debate over how to balance the budget. For the first time in decades, we share a national consensus that we must eliminate the deficit. And the way we balance the budget must reflect our values. It makes no sense to undercut these very values -- family, community, obligation -- in the name of a balanced budget.

I am committed to balancing the budget; my economic plan has reduced the deficit by $1 trillion over seven years. Now, it is time to finish the job. I have proposed a balanced budget plan that eliminates the deficit in 10 years. It increases investments in things like education and training. It protects the environment. It gives working families a tax cut for education. And it secures the Medicare Trust Fund -- and reins in the growth of Medicare -- without imposing new burdens on beneficiaries. My balanced budget reflects the common ground values of the American people.

We do not blink at the obligation to rein in health care costs, to make the Medicare Trust Fund secure and to curb inflation in Medicaid. It is true that medical costs are becoming an ever-larger share of the budget. It is true that medical inflation is racing past inflation as a whole. And it is true, Praise the Lord, that we are all living longer. And it is true that if we want to balance the budget, we need to slow the growth of health care

spending.

For two-and-a-half years, we have worked to keep Medicare solvent. My economic plan, which passed in 1993, extended the life of the Medicare Trust Fund by three years. And the balanced budget proposal that I introduced this year will extend the Medicare Trust Fund by ten years, by asking providers to pay as much as they can afford. This reform will put it in better shape than it's been in nine of the last 14 years. We can do all of this without new any beneficiary cuts.

We have cracked down on fraud and abuse of these programs. The GAO estimates that health care fraud and abuse accounts for 10% of all health care costs. We have doubled health care criminal prosecutions, assigned nearly three times as many FBI agents to health care fraud, and last year we brought in more money from scam artists than ever before. There is nothing worse than a criminal who preys on seniors -- and we won't rest, because the scam artists won't rest.

And we must reform Medicaid, too. The program is growing too fast. We propose to curb Medicaid costs by slowing growth in spending per-person, by giving states incentives to be more efficient, without cutting people off the rolls.

This is the right way to balance the budget. My plan eliminates the deficit and secures the future of these programs, without slashing benefits and unfairly burdening older Americans.

The majority in Congress has a very different approach to balancing the budget. In recent days, they have unveiled the details of their cuts in health care, money that they use to provide a tax cut that is far too generous.

Particularly brutal are the cuts to Medicaid. You know -- and I know -- that Medicaid is a lifeline for millions of hardworking people, parents and children, across this country. They would seek to demonize this program as some form of welfare, but you and I know better.

Two thirds of Medicaid goes to pay for seniors and people with disabilities. Almost 7 of every ten nursing home residents get Medicaid help to pay their bills. Forty-three percent of the residents of this nursing home get Medicaid help. And Medicaid is the difference between care in a quality home and an uncertain future. The average cost of a nursing home per year is $38,000 -- while three fourths of seniors have incomes below $25,000.

This plan takes away the guarantee that Medicaid will be there to help you. And it cuts Medicaid by $180 billion. That could mean 300,000 people cut from nursing homes, millions of poor children deprived of access to medical care, and hundreds of thousands of families who will have a much harder time caring for a loved at home. It would force states to raise taxes, reduce Medicaid coverage, or cut services.

These cuts translate into a $2 billion reduction in federal help for the state of Colorado

over the next seven years. In 2002 alone, this would mean a one-third cut for the state's 400,000 Medicaid recipients.

And the plan's fine print is even more disturbing. Today, by law, if you have to go into a nursing home, and need help from Medicaid, you do not have to force your spouse to sell their possessions. This new plan would let states force someone whose husband has to go to a nursing home to sell her car, her house, everything she has.

It would put quality at risk. Before reforms signed into law by President Reagan in 1987, 40 percent of nursing home residents were physically restrained or overmedicated. Since then, things have improved dramatically. This plan eliminates these reforms and threatens to turn back the clock.

And these cuts in Medicaid will make it impossible for many seniors to afford Medicare. While the Republicans want to increase Medicare premiums, they also want to cut the funds used to help poor retirees pay their copayments and deductibles.

These deep cuts in Medicaid are unnecessary. They are cruel. And they will gravely undercut the health care system that serves our seniors and the disabled. I have made it clear that I will veto health care cuts of this magnitude.

And they are piled on top of cuts in Medicare that are nothing less than bait-and-switch.

The Congressional plan cuts $270 billion out of Medicare -- the biggest cut in history, three times any previous cut. It would increase premiums and other costs for senior citizens. It would reduce Medicare spending by $1700 per recipient by the year 2002. It would reduce doctor choice. It would force many doctors to stop serving seniors altogether. It threatens to put rural hospitals and urban hospitals out of business. Brick by brick, it would dismantle Medicare as we know it.

And these dramatic cuts are not necessary to secure the Medicare Trust Fund. By law, only those savings that come from providers -- from hospitals and nursing homes -- can go toward making the Medicare Trust Fund whole. Both my budget plan -- and the Republican plan -- strengthen the trust fund in this way. But every nickel that their plan takes from seniors goes straight into the government's General Fund, where it will then pay out an unnecessarily large tax cut.

Taken together, cuts in Medicaid and Medicare will take nearly half a trillion dollars out of health care. Cutting half a trillion dollars out of health care isn't reform. These are costs that will be shifted to families and business. It will put the world's finest system of hospitals and research at risk. It cannot help but make our medical system second rate. It will affect all of us, whether we are on Medicare or Medicaid or not. And worst of all -- it simply isn't necessary to keep the system solvent.

This should not be an issue for divisiveness, an issue that tears us apart. We all want to secure these programs, to make sure that they are there for our people for generations to come. Senior citizens will be willing to do their part. They are patriots; they have done right by their country all their lives. They shouldn't have to be subject to the charge that they are greedy. And they shouldn't be forced to pay for a tax cut that disproportionately benefits those who don't need it.

So hold us accountable. Tell those of us in Washington: Balance the budget. Start living within your means. Secure our economic future. But do it without eviscerating education, and without making seniors who can't afford it pay for a tax cut that goes to those who don't need it.

As we work to balance the budget, I am determined that we remember the people whose lives, whose families, whose security and peace of mind depends on what we do. I will work to see to it that the outcome of this debate reflects your values, and the values of all our people. I ask for your help.

Thank you.

3. Yager Lee

Amst

Document No._____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 09/19/95 **ACTION/CONCURRENCE/COMMENT DUE BY:** ASAP

SUBJECT: PRESIDENTIAL REMARKS: REMARKS ON HEALTH CARE CUTS (TO SENIOR CITIZENS, MIAMI, FL)

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	McGINTY	☐	☐
PANETTA	☑	☐	NASH	☐	☐
McLARTY	☐	☐	QUINN	☐	☐
ICKES	☐	☐	RASCO	☐	☐
BOWLES	☑	☐	SOSNIK	☑	☐
RIVLIN	☑	☐	STEPHANOPOULOS	☑	☐
BAER	☑	☐	STIGLITZ	☐	☐
EMANUEL	☐	☐	TYSON	☑	☐
GIBBONS	☐	☐	WEBSTER	☐	☐
GRIFFIN	☐	☐	WILLIAMS	☐	☐
HALE	☐	☐	WALDMAN	☐	☐
HERMAN	☑	☐	_____	☐	☐
HIGGINS	☐	☐	_____	☐	☐
LAKE	☐	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MIKVA	☐	☐	_____	☐	☐
McCURRY	☑	☐	_____	☐	☐

REMARKS:

Pls provide any comments ASAP to Michael Waldman, x 6 2272.

RESPONSE:

Staff Secretary
Ext. 6-2702

Draft 9/19/95 am

PRESIDENT WILLIAM J. CLINTON
REMARKS ON HEALTH CARE CUTS
POINT EAST SENIOR CENTER
MIAMI, FLORIDA
September 19, 1995

95 SEP 19 A2:22

[ACKNOWLEDGEMENTS]

As you know, we are engaged in a great debate about out country's future. At the heart of that debate is a question of concern to you, and to the people I just met with, and to tens of millions of our fellow Americans -- how we keep the solemn commitment between the generations embodied in Medicare and Medicaid.

Today, for the first time in decades, we share a broad consensus that we must balance the federal budget. We developed a bad habit, before I took office, of running a permanent deficit -- not to invest, but just because every year it was easier to spend more money than we took in. And it wasn't good for the country. Next year, we will pay more in interest than we pay for defense, unless we change course.

But the way we balance the budget reflects our values, our priorities, as individuals and as a people. Why do we care about a balanced budget? We do it because we want to free our children and our grandchildren from the burden of unnecessary debt. Because we want money now absorbed by the government to be freed up for private businesses to create jobs and to grow the economy. We do it because we believe we will be morally strengthened if we don't just borrow money just to spend it.

When I took office, I put in place an economic plan that will cut the national debt by over $1 trillion over 7 years, while increasing investment in our people. We are making real progress. We have created over 7 million new jobs, 540,000 of them in Florida alone; investment is up; inflation and unemployment combined are at their lowest level in 25 years. Here in Florida, the unemployment rate has dropped from 7.4% to 5.2%.

Now, this year, I have proposed a plan that balances the budget and eliminates the deficit over seven years. It increases investment in education. It preserves environmental and public health protection. It protects our program to put 100,000 police on the street. And it gives a tax cut, targeted to education, so that working families can pass on to their children the American dream of opportunity.

My budget reflects our national consensus about what we believe, who we are. Medicare and Medicaid stand at the center of that common ground. They represent a compact between the generations, a compact we have honored now for three decades. They have made America a stronger, better, more humane place. They have made family life more secure -- not only for seniors, not only for Americans with disabilities, but for their children and loved ones. Family, community, mutual obligation -- these are the values that bind us together, and they are the values we must advance as we balance the budget.

The first thing we must do is make sure that Medicare is secure, so that we can keep our promise to generations to come.

We have begun by cracking down on fraud and abuse of these programs. You know -- every senior knows, and the vast majority of honest providers know -- that fraudsters and scam artists are ripping-off the elderly and the health care system. The General Accounting Office estimates that health care fraud and abuse accounts for 10% of all health care costs. From phony billing, to kickbacks, to cataract surgery for people who don't need it, this fraud takes money directly out of the pockets of taxpayers and patients as well. And there's nothing more reprehensible than someone who would steal from a senior on a sickbed.

We are taking action. We have doubled health care criminal prosecutions, assigned nearly three times as many FBI agents to health care fraud, and last year we brought in more money from scam artists than ever before. One successful prosecution will recover over $300 million for taxpayers. We are asking local seniors groups to be sentries on the front lines against fraud. We won't let up, because those who would abuse Medicare won't let up.

But we all know that taking on waste and fraud won't be enough to keep Medicare secure into the future. We must do more to keep the Trust Fund solvent.

Here too, we have taken action. For two-and-a-half years, we have worked to keep Medicare solvent. My economic plan, which passed in 1993, extended the life of the Medicare Trust Fund by three years. And the balanced budget proposal that I introduced this year will extend the Medicare Trust Fund by ten years, by asking providers to pay as much as they can afford. This reform will put it in better shape than it's been in nine of the last 14 years. We can do all of this without new any beneficiary cuts.

Today, there is a very different approach to balancing the budget. In recent days, the Republican leadership has begun to make public the details of their Medicare and Medicaid plans. And they pose a serious threat to our health care system.

Their proposal cuts $270 billion out of Medicare -- the biggest cut in history, three times any previous cut. It would increase premiums and other costs for senior citizens. It would reduce Medicare spending by $1700 per recipient by the year 2002. It would reduce doctor choice. It would force many doctors to stop serving seniors altogether. It threatens to put rural hospitals and urban hospitals out of business. Brick by brick, it would dismantle Medicare as we know it.

If all this were truly necessary to save Medicare, we would all be willing to pitch in. America's seniors have done their part before, and they are willing to do more, if necessary. But these draconian cuts simply are not needed to secure the Medicare Trust Fund.

When the Republicans say they make their cuts to save Medicare, they simply aren't telling the truth. By law, only those savings that come from providers -- from hospitals and nursing homes -- can go toward making the Medicare Trust Fund whole. Both my budget plan -- and the Republican plan -- strengthen the trust fund in this way.

But every nickel that their plan takes from seniors goes straight into the government's General Fund, where it will then pay out an unnecessarily large tax cut. Let me repeat: The money from premium increases on seniors doesn't go to secure the trust fund -- it goes to secure a tax cut that's too big. When a typical senior citizen pays 21% of his or her income for health care even with Medicare, when two thirds of seniors live on less than $24,000 a year, it's plain wrong to raise premiums if we don't have to. And we don't.

And piled on top of the Medicare cuts are the Medicaid cuts. While one-third of Medicaid goes to help poor women and their children, over two-thirds of it goes to the elderly and the disabled. And just last night, the Republicans handed out the details of $180 billion in cuts. That could mean 300,000 people cut from nursing homes, millions of poor children deprived of access to medical care, and hundreds of thousands of families who will have a much harder time caring for a loved at home.

Cutting half a trillion dollars out of health care isn't reform. These are costs that will be shifted to families and business. It will put the worlds' finest system of hospitals and research at risk. It cannot help but make our medical system second rate. It will affect all of us, whether we are on Medicare or Medicaid or not. And worst of all -- it simply isn't necessary to keep the system solvent. If cuts of this magnitude are presented to me, I will veto them. We can balance the budget, and give a tax cut targeted to education, without raising Medicare premiums and taking half a trillion dollars out of the health care system.

So our nation faces a real, stark choice as we prepare to balance the budget. This choice, above all, reflects our values as a country. We honor our parents -- we must keep our commitment to them that they will be secure and have the best health care there is. We value families -- we should not make it impossible for working people to send their kids to college simply because they have to take care of their parents. And we value telling the truth. But when people say we need to save Medicare . . . but they are actually taking the money for a tax cut . . . they simply aren't telling the truth to the American people.

So I call on seniors, in Florida and across the country, to do two things. First, join me in fighting to keep Medicare strong. But just as important, join me on our common ground. We can balance the budget -- and we must -- without taking money from seniors to pay for a tax cut for people who plainly don't need it. If we do this, we can secure the American dream for our parents and for our children.

Thank you.