

Remarks Announcing Proposed Legislation on Medicare *January 6, 1998*

Thank you, Ruth. I think she has made clearer than I could ever hope to that, for many Americans, access to quality health care can mean the difference between a secure, healthy, and productive life, and the enormous burden of illness and worry and enormous financial strain.

Today the proposals I am making are designed to address the problems of some of our most vulnerable older Americans. I propose three new health care options that would give them the security they deserve. The centerpiece of our plan will let many more of these Americans buy into one of our Nation's greatest achievements, Medicare.

When Medicare was first enacted, President Johnson said, and I quote, "It proved that the vitality of our democracy can shape the oldest of our values to the needs and obligations of changing times." Once again we are faced with changing times: a new economy that changes the way we work and the way we live; new technologies and medical breakthroughs holding out hope for longer, healthier lives; a new century brimming with promise but still full of challenge and much more rapid change. The values remain the same, but the new times demand that we find new ways to create opportunity for all Americans.

For the past 5 years, we have had an economic strategy designed to expand opportunity and strengthen our families in changing times, insisting on fiscal responsibility, expanding trade, investing in all our people. Yesterday I announced that the budget I will submit to Congress in 3 weeks will be a balanced budget, the first one in 30 years. Within this balanced budget, we propose to expand health care access for millions of Americans.

Last summer, with the balanced budget agreement I signed, we took action to extend the life of the Medicare Trust Fund until at least 2010, and we appointed a Medicare commission to make sure that Medicare can meet the needs of the baby boom generation. We took action to root out fraud and abuse in the Medicare system, assigning more prosecutors, shutting down fly-by-night home health care providers, taking steps to put an end to overpay-

ments for prescription drugs. Since I took office, we have saved over \$20 billion in health care claims, money that would have been wasted, gone instead to provide quality health care for some of our most vulnerable citizens.

We want to continue to do everything possible to ensure that the same system that served our parents can also serve our children. That means bringing Medicare into the 21st century in a fiscally responsible way that recognizes the changing needs of our people in a new era.

We know that for different reasons more and more Americans are retiring or leaving the work force before they become eligible for Medicare at age 65. We know that far too many of these men and women do not have health insurance. Some of them lose their health coverage when their spouse becomes eligible for Medicare and loses his or her health insurance at work. That's the story we heard today.

Some lose their coverage when they lose their jobs because of downsizing or layoffs. Still others lose their insurance when their employers unexpectedly drop their retirement health care plans. These people have spent their lifetimes working hard, supporting their families, contributing to society. And just at the time they most need health care, they are least attractive to health insurers who demand higher premiums or deny coverage outright.

The legislation that I propose today recognizes these new conditions and takes action to expand access to health care to millions of Americans. First, for the first time, people between the ages of 62 and 65 will be able to buy into the Medicare program at a fixed premium rate that, for many, is far more affordable than private insurance but firmly based in the actual cost of insuring people in this age group and, as you just heard from what Ruth said, far, far more affordable than the out-of-pocket costs that people have to pay if they need it.

This is an entirely new way of adapting a program that has worked in the past to the needs of the future. It is a fiscally responsible plan that finances itself by charging an affordable premium up front and a small payment later to ensure that this places no new burdens on Medicare. It will provide access to health