

The President. Thank you all. You were great. Thank you.

NOTE: The President spoke at 1:40 p.m. at Point East Senior Center.

Remarks to Senior Citizens in North Miami Beach September 19, 1995

The President. Thank you. Wow. Thank you so very much, Governor Chiles and Lieutenant Governor MacKay and Attorney General Butterworth and members of the legislature and Mayor, other local leaders, and especially Ginger, thank you for that wonderful introduction and that wonderful comment about the joys of old age. [Laughter] The last year has brought me prematurely closer to those joys—[laughter]—as I have worked along in Washington.

I did come here today to talk about Medicare and Medicaid, but I'd like to put them, if I might, into a little bit of context about what's going on in our country today for all the American people. We are, all of us, privileged to be living through one of the most interesting periods in our country's history, where the way we work and the way we live is changing very, very rapidly.

I think that you could argue that since we got started as a country, we've had about four periods of really profound change: obviously, leading up to and then after the Civil War and then when we changed our economy from a rural to an industrial economy between about 1895 and about 1916 and then the Great Depression and World War II and the cold war and now, coming out of that.

I believe this is the most profound period of change we have faced in 100 years in the way we live and the way we work. And whenever those kinds of things happen, we have to think anew about what our basic values are, what kind of people we are, what our obligations to one another are across the generations and across incomes and in different ways of making a living, and we have to chart a course for our country's future.

For me, that means that we have to have a period that is governed by new ideas rooted in old-fashioned values. This is still a country, fundamentally, that's about individual liberty and individual responsibility, devotion to family and devotion to community, rooted in the idea that

we all ought to work if we can and we all have responsibilities, not only to ourselves but to each other, and that we also have a responsibility to be a beacon of hope to the rest of the world. And that is what we have tried to do.

We've tried to change the economic policy of the country in a way that would bring the deficit down but invest more in education and technology, and it seems to be working. We've got 7.3 million new jobs. Florida is growing jobs at 3 times the rate it was growing them before our administration came in. And we've reduced the deficit from \$290 billion a year to \$160 billion a year in only 3 years. So we need new ideas and a new direction.

We have found a way to do this while increasing our investment in the education of our children, something I know all of you care deeply about and something that is more important than ever before. We know we've got to cut some things. Your Government is much smaller than it was the day I became President. We've reduced the size of the Federal Government by 160,000, and by the time I finish this term, we'll have the smallest Federal Government we've had since President Kennedy was the President of the United States, trying to give you a more entrepreneurial, less bureaucratic, less cumbersome Government, but still one that could fulfill our fundamental values.

Today, even as we speak, the Congress, in the Senate at least, is debating the very important subject of welfare reform, something I've worked on for 15 years, almost as long as I've worked on issues affecting senior citizens in America. What we all want, I think, is for people on welfare to be able to live the way the rest of America lives. We want people to be able to succeed as workers and as parents. We want the values of family and work and responsibility to triumph. We don't want anybody to be trapped, generation after generation, on welfare. And we know it would be good for the rest

of us as well if they were liberated and became taxpayers instead of tax drawers. We know that.

Since I've been President, waiting for the Congress to act, I've done what I thought I could to move people from welfare to work and help them succeed as parents. Florida is one of 34 States now that have received permission to get out from under old-fashioned Federal rules to put people to work. And in just one of Governor Chiles's experiments in the last year, the Florida Family Transition Program, they've moved over 800 people from welfare to work. It's one thing to talk about it, quite another thing to do it. And so, congratulations, Governor, for doing it.

Now, this bill that they're debating in the Senate today has broad bipartisan support because it will help to move people from welfare to work, and it will help families to stick together. And I want to say more about that in the context of Medicare and Medicaid in a moment.

So if welfare reform remains a bipartisan effort to promote work, protect children, and collect child support from people who ought to pay it, we will have welfare reform this year, and it will be a very great thing. But if the Congress gives into extremist pressure and walks away from this bipartisan American common ground, they will kill welfare reform. So I ask you to do what you can without regard to your party to encourage your Senators and your Members of Congress to give this country a welfare reform bill that is pro-family, pro-work, pro-responsibility and pro-child. We can do that, and we ought to do it.

Now, what's all that got to do with Medicare and Medicaid? Everything. Why? Because now we have also a bipartisan consensus in Washington for balancing the Federal budget, something that hasn't been done since 1969, although the deficits in the seventies were pretty small and basically related to economic slowdowns. So there is a broad bipartisan agreement that we ought to do it. I believe we ought to do it. And I'm glad to help supporters in the Congress from both parties who want to do that. We had to have a one-party effort to take the deficit from \$290 to \$160, and we need everybody's help to go all the way. And I'm for that.

But how we decide to balance the budget will tell us a lot about what kind of people we are, what our values are, what we're going to take into the next century, what we're going

to say to our young people about what they can look forward to as they grow up into productive adults and then they grow into old age. It will say a lot about what we think our obligations are across generational and income lines.

One of the things that has dismayed me about this discussion of Medicare and Medicaid has been the suggestion that anybody that doesn't support the congressional plan is somehow a wealthy older person who is insufficiently sensitive to the needs of the younger generation. That is a load of bull. I can tell you that in all my experience in public life, and I have been working on these issues for 20 years now, the thing that has always humbled me—and my State, Arkansas, had, when I was serving, in every year the second or the third highest percentage of people over 65 in the country—the thing that always amazed me was how much the seniors in my State wanted to take care of their children and their grandchildren, how much they supported efforts to improve education, how much they supported efforts to strengthen the economy, how much they were not interested only in their own issues.

And so I say to you, if you say you don't like this plan in Congress, that doesn't mean that the rest of us think you're either rich or greedy. You have a right to see that there is decency and honor and obligation across generational and income lines as we balance the budget. We have to do it in a fair and decent and honorable way.

Now, here's the problem. It is true that medical costs in the budget have become a bigger and bigger and bigger part of the Federal budget. It is true that medical inflation is going up faster than the inflation rate as a whole. It is also true that we're all living longer. So we've got a higher percentage of Americans on Medicare and elderly people on Medicaid. Praise the Lord, we're all living longer. That's a good thing. I hope it extends to Presidents. *[Laughter]*

It's also true that the system itself, through fraud, abuse, and other problems, has had a higher rate of inflation so that, unfortunately, both the Government and people on Medicare have been paying more every year for the same health care in ways that are unacceptable. And that if we want to balance the budget, we need to slow the rate of growth in health care spending.

It's also true that the Medicare Trust Fund has to be protected. Now, let me talk a little

about that. You pay Medicare. You know—if you're involved in Medicare, you know how it works. You know how it works. There's a Part A which is basically hospital and related services paid for by a payroll tax, and that goes to providers and essentially that is in the Trust Fund. And there's a Trust Fund. There's a Part B that deals with all kinds of other services, primarily physician services, medical equipment, and other things, which are paid for out of general tax revenues and contributions by seniors directly—payments.

Here is what I want to say to you about this Medicare issue: We have proposed a balanced budget—I have—that slows the rate of medical inflation and payments to providers to fix the Trust Fund for another 10 years. And we have proposed to do it exactly like the people who are in charge of the Trust Fund, the trustees, say we need to do. And it doesn't cost seniors anything more than they are otherwise going to pay in the ordinary course of medical inflation.

The Congress, the majority in Congress, have proposed Medicare cuts that are more than twice that much. And less than half of them are going into the Trust Fund. The rest are going to pay for the 7-year balanced budget and the tax cut.

So I say, I will work with anybody, anytime, anywhere to fix the problems of the Medicare Trust Fund. But it is wrong to take more money from people whose average income is way below \$20,000 to pay for a 7-year balanced budget and cuts in other areas and a big tax cut for people who don't need it. That is not right. So let's fix the Trust Fund, but let's don't dishonor our obligations across generational and income lines by pretending that we're fixing the Trust Fund when we're taking money from seniors to pay for a tax cut that is too large. That is not right.

Audience member. Hear! Hear! Tell 'em!

The President. Let's look at the Medicaid problem. Medicaid has nowhere near the political support in the country now that Medicare does because most people think it's a welfare program. And they think, if it's a welfare program, we can probably cut it some.

I have proposed to slow the rate of spending in Medicaid. Their cuts are 3 times as great as mine. The problem is that 70 percent, almost, of Medicaid spending goes to elderly people and disabled people for nursing home care and in-

home care. And if these cuts are as large as they are said to be—and for hospital care for low-income people—if these cuts are as large as they are said to be, then we will have people who through no fault of their own, who don't have any money, who either won't be able to get in nursing homes, won't be able to get in-home care, and millions of kids who won't be able to get hospital care.

If you take \$450 billion out of the system over the next 7 years, I question whether we can keep our urban and rural hospitals open, whether the great teaching centers—making us the finest medical country in the world in terms of the quality of health care—will be able to do well. And there is a limit to how much seniors can afford to pay. Seventy-five percent of the people over 65 in this country live on less than \$24,000 a year.

I came here to say to you, we're going to make some changes in this program. We need to save the Trust Fund, but don't you be fooled into thinking it costs \$270 billion to save the Trust Fund. It costs less than half of that. And the rest of that money is going to go right into the general treasury and be used to pay for a 7-year budget and a tax cut that's too big. And I don't think that is an appropriate thing to do. And I don't think you think it is an appropriate thing to do.

I am not promising pie in the sky. Everybody here knows that the average senior on Medicare is paying the same percentage of income out of pocket for health care as you were paying before Medicare came in in the first place, because medical inflation has gone up so much. You all know that there's a lot of fraud and abuse in the system. And by the way, both parties agree on that, and I think we'll reach an agreement on it. And I want you to know what I'm trying to do about that. We have doubled, doubled, prosecutions for fraud and abuse since I've been President. We have tripled, tripled, the number of FBI agents working on health care fraud since I've been President.

We need your help. The United States Attorney for this district, Kendall Coffey, is here. He gave a report to the group upstairs about what he's trying to do here. We need senior groups all over America to help us to uncover fraud and abuse. A congressional study said as much as 10 percent of the money may go into fraud and abuse. If that's true, we can put that into savings, and it doesn't have to come out

of anybody's pocket, except people who shouldn't be spending the money in the first place.

We are going to have to make some changes. We do have an obligation to preserve Medicare for you, for the people who come behind you, for your children, and for your grandchildren. It's a program that works. But we also have an obligation to make sure that Medicare and Medicaid do their job for America's seniors and do their job for the poor children of this country.

It isn't popular to speak up for the poor children today. It isn't popular—sort of the fashion is to say, well, if they're poor, whatever they get they deserve. The Bible says the poor will always be with us. And all those little poor children, they're going to be grown up some day. And if they don't have decent health care and decent nutrition and good role models and people who care about them, do you think they're going to be good citizens who can take care of my generation when we get old? So just because they're poor, and they're on Medicaid, too, we shouldn't forget about them. We shouldn't act like we have no responsibility to them. It's not their fault what families they were born into. It's not their fault what their family circumstances are.

So what I want you to do is this: I want you in one voice to say to all of us, "We don't care if you're Republicans or Democrats; go balance the budget, go fix the Medicare Trust Fund, make the changes you have to make to do that, but do not take money from elderly people that barely have enough to live on, that have made their contributions all their lives, and give it to people who aren't even asking for a tax cut and don't need it. Don't do that. That doesn't make any sense. It defies common sense. Slow the rate of growth in that Medicaid program, but don't do it so much that we can't take people into nursing homes. Don't do it so much we can't deliver home care to people who need it and that's cheaper. Don't do it so much that we have to turn away poor children who will be scarred forever if we don't take decent minimal care for them. That's not necessary. We don't have to do that to balance

the budget." Send a voice that I know is in your heart.

I have been—as I said, I have been working on issues of health care, consumer rights for seniors for 20 years. I had my first long-term care conference as an attorney general almost 20 years ago. And I know that the senior population in this country is generous and forward-looking. But I also know that the only way we can continue to have a growing, healthy, strong senior population that is generous and forward-looking is to be decent and honorable and fair.

It is fair and decent to fix the Trust Fund. It is right to do what we can to crack down on fraud and abuse and to slow the rate of medical inflation and to slow the rate of medical inflation in the Medicaid and the Medicare program. But it is not right to pay for an arbitrary balanced budget and a very large tax cut, a lot of which goes to people who don't need it and, to be fair to them, have not even asked for it, to turn around and run the risk of putting Medicare out of the reach of seniors, putting Medicaid out of the reach of seniors, and undermining our solemn obligation to honor one another across the generations. That's what we need to do.

We can get into the 21st century with a growing economy, a balanced budget, a stable future, but only if we do it consistent with our fundamental values. What is proposed up there is not consistent with our values and doesn't make common sense. But we can make common sense, balance the budget, save the Trust Fund, and leave Medicare and Medicaid in good shape for you and the people that come behind you.

So tell the Congress and everybody else in Washington to throw away the partisan, political, extremist ideology and the rhetoric and get down to work on doing America's job for America's future.

Thank you, and God bless you all.

NOTE: The President spoke at 2:47 p.m. at Point East Senior Center. In his remarks, he referred to Robert Butterworth, Florida attorney general, and Ginger Grossman, who introduced the President.