

## Remarks on Medicare Reform and an Exchange With Reporters March 16, 1999

### *Amtrak Crash in Illinois*

*The President.* Good afternoon. I would like to begin by saying that our thoughts and prayers are with all those people who were involved in this morning's Amtrak crash in Illinois. We've dispatched safety officials from the National Transportation Safety Board and other Federal investigators to the site to lead the investigation. I want you to know that we will do everything we can to help the victims and their families and to ensure that the investigation moves forward with great care and speed.

### *Medicare Reform*

Now, before I leave for Florida, I would also like to comment on an issue of vital importance to our future: how to strengthen the Medicare program for the 21st century.

Today Senator Breaux and Representative Thomas will hold a final meeting of their Medicare Commission. Although it did not achieve consensus, the Commission has helped to focus long overdue attention on the need to modernize and prepare the program for the retirement of the baby boom generation and for the present stresses it faces. The Commission has done valuable work, work that we can and must build on to craft Medicare reform.

Make no mistake, we must modernize and strengthen Medicare. For more than three decades, it has been more than a program. It has been a way to honor our parents and grandparents, to protect our families. It has been literally lifesaving for many, many seniors with whom I have personally talked.

In my 1993 economic plan that put our country on the path to fiscal responsibility, we took the first steps to strengthen Medicare. In 1997, in the bipartisan balanced budget agreement, we took even more significant actions to improve benefits; expand choices for recipients; to fight waste, fraud, and abuse; and to lengthen the life of the Trust Fund.

But as the baby boomers retire and medical science extends the lives of millions, we must do more; we must take some strong and perhaps difficult steps to modernize Medicare so that it can fully meet the needs of our country in the new century. If we don't act, it will run

out of funds. That would represent a broken promise to generations of Americans, and we cannot allow it to happen.

As I said in January, we must act, and when we do our actions should be grounded in some firm principles. We must seize the opportunity created by our balanced budget and surplus to devote 15 percent of the surplus to strengthen the Trust Fund. We must modernize Medicare and make it more competitive, adopting the best practices from the private sector and maintaining high quality services. We must ensure that it continues to provide every citizen with a guaranteed set of benefits. And we must make prescription drugs more accessible and affordable to Medicare beneficiaries.

The plan offered by Senator Breaux and his colleagues included some very strong elements, which should be seriously considered by Congress. However, I believe their approach falls short in several respects. First, it would raise the age of eligibility for Medicare from 65 to 67, without a policy to guard against increasing numbers of uninsured Americans.

I know that back in 1983, the Commission voted in Social Security and the Congress ratified a decision to slowly raise the Social Security age to 67. But there is a profound difference here. Perhaps the fastest growing number of uninsured people are those between the ages of 55 and 65. We cannot simply raise the age to 67 without knowing how we're going to provide for health insurance options for those who are already left out in the cold between the ages of 55 and 65. It is simply not the right thing to do.

Also, the proposal has the potential to increase premiums for those in the traditional Medicare program beyond the ordinary inflation premiums that keep the percentage paid by the beneficiaries the same. It does not provide for an adequate affordable prescription drug benefit.

But most important of all, it fails to make a solid commitment of 15 percent of the surplus to the Medicare Trust Fund. That is the biggest problem. Even if all the changes recommended by the commission were adopted, because of the projected inflation rates in health care costs,

it would not be sufficient to stabilize the fund. Only by making this kind of commitment can we keep the program on firm financial ground well into the next century.

Every independent expert agrees that Medicare cannot provide for the baby boom generation without substantial new revenues. Beyond that, it is clear that it will also require us to make difficult political and policy choices. Devoting 15 percent of the surplus to Medicare would stabilize the program and improve our ability to modernize and improve its services and to make those hard choices.

I want to thank the members of the Medicare Commission for their hard work and for their recommendations. Today I am instructing my advisers to draft a plan to strengthen Medicare for the 21st century, which I will present to this Congress. I look forward to a good and healthy debate about how best to strengthen this essential program. We must find agreement this year. Medicare is too important to let partisan politics stand in the way of vital progress. I believe if we make the hard choices, if we

work together, if we act this year, we can secure Medicare into the future.

Thank you very much.

*Q.* Mr. President, your critics are suggesting that by not endorsing the Breaux plan you're simply assuring that there will be a campaign issue, something the Democrats can run on.

*The President.* I want an agreement this year. I have given my best assessment of where we are now, of what my objections are. I think it is now incumbent upon me to present an alternative proposal, and I will do that.

But I want to make it clear that I believe we owe it to the American people to make an agreement this year, and I'm going to do my dead-level-best to get it done.

Thank you.

NOTE: The President spoke at 3:55 p.m. outside the Oval Office at the White House, prior to his departure for Palm Beach, FL. In his remarks, he referred to the derailment of Amtrak's City of New Orleans train in Bourbonnais, IL.

## Statement on Proposed Child Care Legislation

*March 16, 1999*

Making child care better, safer, and more affordable is at the heart of my effort to help America's parents balance their responsibilities at home and at work. Today, more than ever, parents struggle to find high quality, affordable child care for their children. That is why I have proposed significant new investments in child care, expanding subsidies and providing greater tax relief for working families, increasing after-school opportunities for children, improving child care quality, and providing new tax relief for parents who choose to stay at home.

I am pleased that today key Members of the House of Representatives took steps to move us closer to enacting meaningful child care legislation. Representative Ben Cardin introduced important new legislation—the "Child Care Im-

provement Act of 1999"—that, like my proposal, addresses the critical child care needs of working families. And Representative Ellen Tauscher and numerous Democratic colleagues introduced a comprehensive child care package—the "Affordable Child Care, Education, and Security Act"—that incorporates many of my proposals and would go a long way to fully addressing the child care demands of working families. These bills would help Americans fulfill their responsibilities as workers and their even more important responsibilities as parents. I look forward to working with Representative Cardin, Representative Tauscher, and other Members of Congress on both sides of the aisle to meet the child care needs of America's families.