

July 11 / Administration of George W. Bush, 2001

way for consideration by the full House of Representatives. This legislation will stimulate more charitable giving and support faith-based and community organizations in their efforts to help those in need.

I will continue to work on a bipartisan basis with Members of the House and the Senate to implement my Faith-Based and Community Initiatives.

Remarks on Medicare Reform *July 12, 2001*

Thank you all very much. Today I'm here to talk about our most important commitment to our seniors, the health of our seniors and how we can modernize and strengthen Medicare. I'm also here to announce an exciting new plan to provide every senior on Medicare an opportunity to better afford prescription drugs by the beginning of next year.

I want to thank the members of both political parties—of all three political parties—[*laughter*]*—*who are here today. It shows us firm commitment to make sure our Nation fulfills a solemn pledge to our seniors and that is that our seniors have the best possible health care available for them. So thank you all for coming. We've got many Members of the House and the Senate, most notably Senators Breaux and Thomas—I mean, Senators Breaux and Frist and Congressman Thomas, all three Members who worked hard on Medicare reform in the past and who are joining with the administration to promote Medicare reform this year.

Thirty-six years ago this month—and thank you, as well, Mr. Secretary, for being here—36 years ago this month President Lyndon Johnson flew to Independence, Missouri, to sign Medicare into law and to present the first Medicare registration card to former President Harry Truman. President Johnson spoke that day about what Medicare would mean for our country, and here is what he said: “No longer would older Americans be denied the healing miracle of modern medicine. No longer

would illness crush and destroy the savings that they have so carefully put away over a lifetime, so that they may enjoy dignity in their later years.” He went on to say that “no longer will young families see their own incomes and their own hopes eaten away simply because they are carrying out their deep moral obligations to their parents and to their uncles and to their aunts.”

Medicare has lived up to President Johnson's vision. It has improved the health of America's seniors, and it's eased the financial anxieties of retirement, reduced the burden on younger generations, and fulfilled our Nation's commitment.

Medicare is a binding commitment. The Medicare promise we made in 1965 will never change. And as medicine advances and the needs of our seniors change, Medicare, too, must advance, and it, too, must change. This generation of leaders must honor and renew the promise of Medicare by strengthening Medicare for the future.

In 1965 health care usually meant hospital care. Today, we understand how important it is to prevent people from getting sick in the first place. Yet, Medicare does not fully cover preventative medicine.

In 1965 prescription drugs meant antibiotics. Today, illnesses that could once only be treated by invasive surgery are treated instead with effective new drugs. But these new drugs can be very expensive, and under the current system, Medicare doesn't pay for them.

In 1965 medicine could offer people diagnosed with cancer and other dangerous

diseases little hope. Today, we can defeat many once incurable diseases, but too often at a costly price that Medicare will not pay in full.

In 1965 the pace of medical progress was relatively slow. Today, hardly a day goes by without news of an exciting advance to extend life or improve health. Yet, Medicare takes way too long to authorize new treatments.

We must act now to ensure that the next generation of medical technology is readily available to America's seniors, from medicines tailored exactly to an individual's disease to Internet diagnosis that will allow patients to be treated by experts on the other side of their continent without the patients having to leave their living rooms.

In 1965 Medicare's finances were based on assumptions that quickly proved wrong. This has had enduring consequences. Medicare has too many limits on coverage. Seniors enrolled in Medicare are responsible for a nearly \$800 deductible every time they visit a hospital. And they find themselves responsible for paying thousands more if they are seriously ill.

Medicare's funding structure doesn't make sense—two different parts, one of which appears to have a surplus, even though the other has a much bigger shortfall. And Medicare's costs are rising too fast, which creates anxieties about the program's stability.

It may be that cars don't get any better than the 1965 Mustang. But even the '65 Mustang didn't have power windows or anti-lock brakes. When it comes to cars and when it comes to health care, 1965 is not the state of the art. We need to bring Medicare into the 21st century, to expand its coverage, improve its services, strengthen its financing, and give seniors more control over the health care they receive.

Medicare's most pressing challenge is the lack of coverage for prescription drugs. Several people here with us this morning know from personal experience what that means. Frank Van der Linden was a newspaper

reporter, and a good one; now he's being squeezed behind Medicare premiums and drug costs. Or Bobby Cherry, he's a senior coordinator at the Florida Avenue Baptist Church right here in Washington; he pays close to 40 percent of his income for prescription drugs and Medicare copayments. Or Gwendolyn Black, who spends \$2,400 a year to put four healing drops a day into each of her eyes.

Today I announce the first step toward helping American seniors get the prescription drugs they need and deserve, a new national drug discount program for seniors that will begin early next year. Every senior on Medicare can receive a new drug discount card. It won't cost much, at most a dollar or two a month, and will work like the cards you already have for, say, your groceries. Present the card at a participating pharmacy, and you receive a substantial discount. It's as simple as that, and it's convenient.

The new drug discount plan combines the purchasing clout of millions of seniors to negotiate lower prices than under the current system. And under my plan, participating pharmacies will get new customers, and seniors will get high-quality drugs at a lower price.

It's a plan similar to the plan that brings discounts to many Americans who have private insurance. And the leaders of the companies that have been so successful in providing drug discounts in private plans are here with us today and will brief the press on the savings about our strategy.

The drug discount plan is the first necessary step to provide immediate help to seniors without destabilizing Medicare's finances. It is the first step, but it is not a substitute for a drug benefit and for strengthening Medicare. And that's why my administration has developed, with a bipartisan group of legislators, a framework for strengthening and expanding Medicare for the long term. This framework will guide us as Congress takes up Medicare in the

coming months, and here are its main elements:

First, seniors already enrolled in Medicare and those near retirement must have the option of keeping their Medicare exactly the way it is today. No senior will see any change that he or she does not want or does not seek. If you like things the way they are, that's just the way they'll stay.

Second, all seniors today and tomorrow will be offered a range of new Medicare plans, including an improved and updated Government plan, as well as others offered by nongovernment insurance plans. All the Medicare plans must offer benefits at least as comprehensive as the Government plan. All will be regulated by the Federal Government, and all of them must offer prescription drug coverage.

Third, everyone enrolled in Medicare will have the power to choose—power to choose—which plan works best for him or her. The plans will compete with each other, forcing them to offer better service, extra benefits, and lower premiums. All seniors in America should enjoy the same freedoms that Federal employees have today when it comes to choosing their health care plans. We must trust seniors to make the right decisions for themselves.

Fourth, Medicare must become more responsive to seniors, especially to seniors on low incomes and with unusually high medical costs. Sometimes people discover Medicare's gaps when they need Medicare most. Under the current system, the sickest Americans pay a higher percentage of their bill than others do. And that's not right, and under our approach, that will stop. We'll put a stop-loss limit on the amount any senior can be asked to pay in any year.

Too many seniors feel compelled to purchase costly Medigap policies to cover what Medicare does not. Take, for example, Mr. Cuyler Taylor, who's with us today. The Taylors spend more than \$10,000 a year on drugs and Medigap insurance. Our

framework will not only cover drugs, but it will reduce the need for costly extra insurance. The gaps in Medicare bear especially hard on low-income people, and extra help will be available to them, as well.

And finally, we must put Medicare on a sustainable financial footing for future generations. The two parts of Medicare must be combined into one. When popular alternative plans are established, the Government's contribution to any one Medicare plan should eventually be tied to the average cost of all Medicare plans, preventing any one plan from driving up the cost that all Americans must pay.

So these are the main principles for strengthening and improving Medicare: Nobody on Medicare will see any change in Medicare unless he or she wants it. There will be new Medicare choices, and all of these new choices will offer prescription drugs. Medicare plans will compete by offering better service and lower premiums. Medicare will respond better to the needs of seniors and, especially, low-income seniors and seniors with high medical bills. And Medicare will be put on sound financial footing.

These are principles which will strengthen one of our Nation's most sacred obligations, the health of our senior citizens. We'll protect seniors now, offering exciting new services and more choices to seniors in the future, and guarantee prescription drug coverage. And we will do it without overtaxing our children and our grandchildren.

Medicine is constantly improving. Medicare must keep pace. That's my administration's commitment today and its exciting new vision for health care in America.

Thank you all for coming.

NOTE: The President spoke at 9:51 a.m. in the Rose Garden at the White House.

Remarks at Johns Hopkins Hospital in Baltimore, Maryland
July 13, 2001

Thank you very much. Dr. Miller, it's my honor to be here in the number one hospital in the United States to talk about an incredibly important issue. And that's Medicare and how to make sure it's relevant as we head into the 21st century.

I want to thank you for giving me a chance to come. I'm honored to be traveling today with Tommy Thompson. I knew Tommy as a Governor. I knew he'd be a great Secretary of Health and Human Services, and he's proved me right. I appreciate you being here, Tommy.

I want to thank Dr. Brody. I want to thank Mr. Peterson. I want to thank Congressman Cummings, Congressman Ehrlich for being here as well. Mr. Mayor, thank you very much for coming. I appreciate the baseball bat with Cal Ripken's signature on it. [*Laughter*]

I am so proud of the health care system of America. We're the best in the world. We've got the best docs in the world. We've got the best research in the world. We've got the best hospitals in the world. And I intend to keep it that way. It's really important that our health care be responsive and innovative and rewarding.

And there are some bills coming up in front of Congress now that will help determine the course of medicine. One is called the Patients' Bill of Rights. It's really important that we not have our system laden down by unnecessary lawsuits, that when we pass legislation, we keep patients in mind and make sure patients have direct access to specialists and make sure patients have the capacity to take their complaints to an independent review organization so that the complaint can be remedied quickly, not held up in a court of law.

I think we'll get a pretty good piece of legislation out. I certainly hope so, because it's part of a reform process, all aimed at

making our health care system focus on patients and their relationship with doctors.

The big issue also confronting us is Medicare. The other day in the Rose Garden I laid out a Medicare set of guidelines, and I'm going to reiterate those here today. But I started off my talk by reminding people that another Texas President, Lyndon Johnson, started Medicare. And he presented former President Harry Truman with the first Medicare card, as he outlined the dream of Medicare.

And the truth of the matter is, Medicare has met the goals of America. Seniors are better off as a result of Medicare. But the problem with Medicare is, medicine changes, and Medicare has not. Medicine in the United States is changing dramatically, and I witnessed firsthand some of the fascinating technologies taking place in your eye clinic here and incredibly important changes when it comes to kidney transplants.

And yet, oftentimes, as innovation occurs in the health care area, Medicare is stuck in the past. It won't change, because it's too bureaucratic. The other day I said, you know, 1965 is when the program started, and even though a lot of people think the 1965 Mustang was the best car ever made, it wasn't very modern. And even though Medicare may be the best invention of man, it's not very modern today.

And so, in the Rose Garden and here again at Johns Hopkins, I call upon the Congress to work with the administration to modernize Medicare, to make sure the Medicare system reflects the great hopes and promises of the health care in the 21st century. And what does that mean?

Well, it means, first and foremost, that anybody who likes Medicare today can stay on Medicare; that if you're happy with the Medicare system, getting up in your years, you're not interested in change, that you