

Now, I know there are a thousand good uses for this surplus. If I gave each of you a piece of paper and I said name 10 things that you would like to see your country do, we might have 100 different things on that list, and they'd all be good. But I say we should take care of first things first, and we don't have any more important obligation—not only to seniors but to their children and their grandchildren—than to preserve the integrity of Social Security and Medicare and preserve the long-term economic health of this country. So I hope that all of you will support that.

We can talk more about Social Security later, but if my proposal is accepted, we'll have Social Security solid for way more than 50 years already, and with a few other changes, we could take it out to 75 years; we could do something to deal with the fact that elderly women on Social Security are far more likely to be poor, and they need some extra help; and we could lift the earning limitation for people on Social Security. I would like to see those things done.

But let's talk about Medicare. We should secure and strengthen and modernize Medicare. It's been around for 34 years now. It's made health care more accessible and more affordable. As you heard Hanna say, it's given millions of American families peace of mind by paying for medical costs that otherwise would have bankrupted families in their later years. It has also freed the children of Medicare's recipients from the painful choice of mortgaging their children's future to provide a decent health care for their parents. But you've got people living longer and the baby boomers set to retire; therefore, more people drawing Medicare and fewer people paying in. What that means is that the Trust Fund will become insolvent by the year 2015, 15 years from now. Now, we've already done a lot to try to stave that off. When I became President in 1993, the Trust Fund was supposed to become insolvent in 1999—this year. We've made a lot of changes. Some of them were difficult and somewhat unpopular, but we have saved Medicare until 2015.

But that's not enough. Keep in mind, the baby boom generation won't begin to turn 65 until 2011. Then, over the next 30 years, the number of people who are 65 or over

will actually double. So we need to lengthen the life of the Medicare Trust Fund, and we need to do it now. The sooner you deal with these issues, the easier it is to deal with them. The longer we take to deal with them, the more painful and the more expensive it will be to deal with it.

The plan I announced yesterday to secure and modernize Medicare for the 21st century does the following things. First of all, it extends the solvency of the present Medicare program to the year 2027. That is very important. Changes made today can keep it alive until 2027. That will almost completely take in the baby boom generation. Not quite, but nearly. And that gives all of our successors plenty of time to take advantage of all the increases in health care options that I'm convinced will allow people to stay healthier even longer in the years ahead.

To do it, I propose that we use 15 percent of the budget surplus over the next 15 years. Again I say, there are a lot of good uses for the surplus. A lot of people would like to have more money right now. But there is nothing more important than taking care of first things first. Keeping the economy strong by paying the debt off and saving Medicare and Social Security, I think are the most important things we can do, and we should do them first.

Now, we also plan to modernize the way the program works, to introduce more innovations now used in private sector health plans, to offer seniors the chance to choose between lower cost managed care plans for Medicare and the traditional program without forcing the choice by having unreasonable increases in the premiums in the traditional program, to guarantee that our seniors have the information necessary to make informed choices, and that all the available plans have certain core medical benefits necessary to preserve the integrity of the program, to make sure that as we hold costs down, we keep quality up.

But we also, as everybody before me has said, need to modernize Medicare. One of the ways, but not the only way, is with prescription drugs. Think of it this way: Medicine has changed a lot. The whole health care system has changed a great deal since 1965. But Medicare hasn't changed with it. As a

consequence, the average senior citizen today is paying a larger percent of his or her income, out of pocket, for health care than they were paying in 1965 before Medicare came in, primarily because of the prescription drug issue.

But think of the other challenges. A revolution in medical science has brought cures to diseases once thought incurable, provided doctors the tools to prevent diseases from starting in the first place, and given millions of people the chance to live not only longer but healthier lives. Once, the cure for many illnesses was a surgeon's scalpel. Now it's just likely to be a pharmacist's prescription drug. Every day new drug therapies are being developed to treat chronic conditions such as diabetes and hypertension. We have to do more to make sure all seniors can take advantage of this medical revolution.

We also have to do more to encourage seniors to take advantage of preventive technologies—to take advantage of screenings for cancer, for diabetes, for osteoporosis, and other diseases. To do that, my plan will eliminate the deductible and all copayments for these preventive tests. Just think of it this way: Under Medicare today, very often you can't get Medicare to pay for screening and prevention, but you can get Medicare to pay for the far more expensive hospitalization that would not have occurred in the first place if the screening and prevention had been done. So this will actually save us money in the long run, as well as making people healthier.

We also do have to make prescription drugs more available and more affordable. They are essential to medical care. Just a few statistics: More than four out of five seniors use at least one prescription a year. Now, for most seniors it's much more than that. And for many seniors, the proper regimen of pills, properly taken, at home, can spell the difference between maintaining an active and independent life, or being hospital- or nursing home- or home-bound for life.

If we were creating the Medicare program today, if we were starting from scratch and it didn't exist, no one would even consider having a program without a prescription drug benefit for the elderly and disabled.

So what are we going to do? You heard Hanna talk about the cost of her drugs. This is a costly issue. A month's supply of a popular blood pressure medicine costs more than \$70 a month. A cholesterol medication probably taken by some of you in this room costs about \$100 a month. When you consider that some of the newest drugs costs as much as \$15 a pill, that two-thirds—listen to this—two-thirds of all people over 65 suffer from two or more chronic diseases, that one in five elderly people takes at least five prescription medications a day, the pharmacy bills can be staggering.

Each year more than 2 million seniors spend more than \$1,000 on medication—people such as our friend Anne Thomas, here to my left, whom I mentioned earlier with her daughters. She's from Oak Brook. Her osteoporosis prescriptions swallow up a sixth of her income, almost 17 percent. Last year she, too, was diagnosed with asthma, but she chose not to fill her prescription because the \$300-a-month price tag was more than she could afford.

Finding the funds to pay for prescription drugs is a struggle for seniors at many income levels, not just the poor. Indeed, of the 15 million seniors in our country that don't have any prescription drug coverage, nearly half are middle class Americans. And that does not count the millions of seniors who have some prescription coverage, but the coverage is totally inadequate or far too expensive.

The number of plans that offer coverage is declining, and those that charge high prices and offer modest benefits are increasing. Forty percent of all older Americans without prescription drugs—let me say that again—40 percent are middle class. Nearly half the uninsured live in isolated rural areas. And as I said, as drug prices rise and more private insurers drop drug coverage altogether, about 15 million of our seniors will be uninsured within the year.

This is not the way to honor people after a lifetime of work and good citizenship. No American should have to choose between fighting infections and fighting hunger, between skipping doses and skipping meals, between staying healthy and paying the rent. We can do better than that. We are now prosperous enough to do better than that.

And I say again, there are many good uses for the surplus. I have my ideas; the Congress has their ideas. But first things first—we have to take of this problem, and do it now.

Now, we want to make sure that this plan is financially responsible, that it can be paid for, that it won't break the bank. Here's what we propose to do: My plan will make a prescription drug benefit available to all Medicare recipients but will provide extra help for those with lower incomes. For people up to 135 percent of the poverty rate, we will waive the co-pay and the monthly premium. But people with incomes a little higher than that, we will have other subsidies, not quite as generous. But for everyone, for a modest monthly premium, Medicare will pay for half of all the prescription drug costs, over the next few years, up to a ceiling of \$5,000. In the first year, we have to start with a ceiling of \$2,000, because it's a big program and we've got to put it in and prove we can make it work. But under my plan, I will ask the Congress to approve and fund going to a \$5,000 ceiling drug benefit, half of all the costs, now, with no deductible.

This drug benefit is one that virtually all of our seniors can afford, and it is constructed in a way America can afford. It will help millions and millions of people. Older and disabled Americans will save even more on prescription drugs under our plan because Medicare's private contractors will get big volume discounts that seniors could never get on their own. So when they pay for half the price, that half will be a much smaller amount that would otherwise be the case.

Now, what I would like to say not only to those of you in this room—where I suppose I'm preaching to the saved, as we say down home—but to all Americans, including those who are not in this room, is that this is something that is important that goes way beyond health care and way beyond money. How can you put a price on being able to see the birth of a grandchild or to enjoy them as they grow up or read to them or take them fishing or be active with your friends and family? How can you put a price, if you are a child, on being able to know and spend time with and enjoy your grandparents?

There is no dollar value we can put on providing the best quality of life we can. And

I want you all to understand, we can afford this. If this is not done, it is because somebody made a different decision to do something else with the money. This is not welfare. This is not some blind gift. This is something we are doing for the integrity of families through the generations.

Our country is in the best shape it's been economically, maybe ever, certainly in a long time. And what we're going to do now will define what kind of country we will be well into the 21st century. Are we going to squander this money we worked so hard for after only 6 years of effort, turned around an unbelievable record of fiscal irresponsibility, or are we going to pay off our debts in the bank and pay off our debts to our families—not only to our parents and grandparents, but to future generations? That is the question.

So I want to ask you to join me. You know, Hanna said she didn't know much about politics. I thought she made a pretty good political speech, myself. *[Laughter]* But she said something that's really important. She said, "You know, I don't understand why this should be a political issue." You know, sometimes when things get real tense in Washington, you know, and some of my friends in the other party get real excited, I say, "Hey, loosen up, you know. We're all getting older; none of us are going to be here forever. People get a chance to vote every election. Loosen up. Relax. No one escapes time and age. Republicans age just like Democrats." *[Laughter]*

People who are independents still get sick every now and then, even though they refuse to register in a political party. This is not a political issue anywhere in America, and it should not be a political issue in Washington, DC. This is something we can do together for the future of America.

I want you to reach out to your Representatives from Illinois. You are represented in this State by both Republicans and Democrats in the United States Congress, more or less fairly apportioned. I wish it were different, but there it is. *[Laughter]* You can write to them. You can call them. You can say, "Do this not only for us, but do it for our children and our future. Do it because we're all aging and it's a high-class problem, that we're living longer."