

Motor Vehicle Information and Cost Savings Act of 1972, as amended.

**William J. Clinton**

The White House,  
July 26, 1999.

**Interview With Mike Cuthbert of  
“Prime Time Radio” in Lansing,  
Michigan**

*July 22, 1999*

**Mr. Cuthbert.** Hi. I’m Mike Cuthbert in Lansing, Michigan; welcome back to “Prime Time Radio.” As we promised you, we’ll present full and indepth discussion of the proposed changes in our health care system, with particular focus on Medicare, as the year 2000 campaign begins. But the discussion of Medicare has not waited for the campaign to start, as you know.

With us here in Lansing, Michigan, is President Clinton, who just finished having a discussion with folks from Michigan on Medicare. Mr. President, welcome to “Prime Time Radio.”

**The President.** Thank you. I’m glad to be here.

**Health Care Reform and Medicare**

**Mr. Cuthbert.** Back in 1992, in a long discussion about health care reform, you stopped the proceedings and you said, very firmly, “Without wholesale health care reform, we have no hope of a stabilized, long-term economic recovery.” The economic recovery has been long, but health care reform didn’t happen. How does that impact on the Medicare plans?

**The President.** Well, the one thing that I didn’t believe that has happened that was good is that we had—I didn’t believe that we could get health care inflation down to the general rate of inflation without moving to universal coverage. And I think what happened was we got all the benefits of managed care in the early years—and we were very fortunate to do so—but now we’re also living with the burdens, as you hear all the horror stories that prompted me to push the Patients’ Bill of Rights.

So I think where we are now is—where I am, at least, is I’m trying to extend health

insurance coverage to discrete groups that don’t have it, to try to improve the way the system works and do more preventive care, and try to modernize and stabilize the Medicare program. For example, we, 2 years ago, provided for funds to cover 5 million children who don’t have health insurance. In this Medicare reform package, we have a proposal to allow people between the ages of 55 and 65 who don’t have insurance to buy into Medicare.

But the most important thing we can do now is to stabilize Medicare financially by putting some more cash into it over the next 10 years, by adopting the most modern practices, and by providing more preventive services free, like testing and screenings for osteoporosis and cancer and other things, and adding a prescription drug benefit that we can afford.

So I think that this will be a very good, balanced package. It’s completely voluntary. It gives seniors another choice on Medicare. But the most important thing is it stabilizes Medicare for 27 years, and that’s very, very important, because all the baby boomers start retiring in—well, they’ll start retiring sooner, but the baby boomers start turning 65 in 2011. The oldest baby boomers are already in the AARP. That seems impossible to me, but there it is. [Laughter]

So to me, it’s very, very important that we not spend too much of this surplus on a tax cut before we do the first things first, before we stabilize Social Security, stabilize Medicare and reform it. And incidentally, my proposal, if it’s adopted as I sent it to Congress, would also make America debt-free in 15 years, for the first time in 160 years. So that would be a good thing to do, as well.

**Link Between Medicare, Social Security,  
and Education**

**Mr. Cuthbert.** One thing I noticed you have done since this focus began—and you did it again here in Lansing—was you always mention Medicare and Social Security and you never fail to mention education. This program talks a lot about “sandwich generation” issues. What do you see, and what should the American people see, as the importance of that link between Medicare, Social Security, and education, which seem to

me to be appealing to two different audiences?

**The President.** Well, I think that they tie families together, and they tie the future together. For example, younger people should care a lot about stabilizing Social Security and Medicare, not just for themselves but so that they will not be financially burdened by their parents' aging. The number of people over 65 is going to double in 30 years—double. People over 80 are the fastest growing group of Americans.

So if you're going to be—in 10 years from now, if you're going to be 45 years old and have kids going to college, you ought to be interested in this because you ought to want our programs to be strong so that your parents can support themselves with their own retirement from the Social Security, and you'll be free to raise your parents' grandchildren. So it is an intergenerational thing.

If you look at the education issue, the ability of America to sustain our economic dominance long term will rest increasingly on the ability of America to educate all American kids to world-class standards so they can occupy tomorrows with jobs. And so the older people have a big vested interest in education, apart from generally caring about how their grandchildren are going to do in the world, because it will stabilize and strengthen America. And we should look at America as a whole. We ought to—we've got to deal with the aging of America; we've got to deal with the challenges to the children of America; and we've got to make sure we can keep the economy going. If you do those three things, I think we'll solve a lot of the other problems just on our own.

### **Budget Surplus**

**Mr. Cuthbert.** Critics of the surplus debate have said that nobody can guarantee the economic growth that is at the bottom of your plan. It seems to me—and I wish you to comment on this—that that may be the most important part of that education you're talking about, that without that education, that economic growth underlying this whole thing and the surplus isn't possible.

**The President.** Absolutely. Let me say though, to people who say that you can't be absolutely certain the surplus will be there

as projected for 10 years or 20 years, to me that's an even stronger argument not to go out and give it away before it materializes with a big tax cut. At least if you adopt my plan, you know that we're going to be saving the lion's share of it for Social Security and Medicare and paying the debt down. So if it doesn't all materialize, at least you're going to be making headway.

But I should say a little something about economic forecasting, because it relates to what you said about education. When we say the surplus will be such and such over 10 years, based on the economists' forecasts, it doesn't mean that we think every year will always be better than the next and there will never be a recession or never be an economic slowdown. What these economists do is they factor the patterns of economic performance over a long period of time and they say, "If you assume the average number of downturns and the average number of upturns and the economy performs as it has been performing for the last 10 to 20 years, then this is what the surplus will be."

In other words, we have eliminated the so-called structural deficit. We never really had a big permanent deficit in America until 1981, you know, in peacetime, just a permanent deficit. And we quadrupled the debt in 12 years. We have gotten rid of that. So now if we had—God forbid—a big downturn next year or the year after next, we might even run a little deficit because there would be fewer people working and more people getting tax money. But over the 10 year period, the surplus estimate is almost certainly right.

### **Nursing Homes**

**Mr. Cuthbert.** Can we turn for a moment to nursing homes? They've been running ads recently in major papers across the country about the effects of the Balanced Budget Act amendment cuts, some \$2.6 billion. My mother is in a nursing home, and I can see the effects on her—less exercise periods, more difficulty getting service, more turnover in staff. How would your Medicare reforms and stabilization affect that problem, which appears to be growing?

**The President.** Let me, first of all, describe what the problem was. When we passed the Balanced Budget Act, we agreed