

JUNE 29, 1999

STATEMENT OF U.S. REPRESENTATIVE JAN SCHAKOWSKY ON THE PRESIDENT'S MEDICARE PROPOSAL

WASHINGTON, D.C. U.S. Representative Jan Schakowsky (D-IL) released the following statement on President Clinton's plan to modernize and strengthen Medicare for the 21st Century.

□ "I applaud the President's Medicare proposal both because of its many provisions that improve health care for 39 million elderly and people with disabilities, and because it flatly rejects schemes that would destroy the social insurance nature of Medicare and erode its guaranteed benefits.

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"First, the President's proposal protects the integrity of Medicare and extends the solvency of the program until 2027.□ His plan rejects proposals that would privatize Medicare by turning it over to the HMOs, through "premium support" or voucher schemes.□ It also does not contain income-based premiums that would undermine the fundamental nature of Medicare.

"Second, the President's proposal includes a universal prescription drug benefit that will help lower drug costs for beneficiaries.□ This is an important initiative to improve access to comprehensive benefits and to help millions of seniors and persons with disabilities deal with the high costs of prescription drugs.□ □

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"Third, the President's proposal restores some of the Balanced Budget Act provider cuts that are threatening patient quality care.□ It rejects proposals to cut funding for Graduate Medical Education and hospitals that serve lower-income, high-cost patients.

"The choice between the President's plan and other alternatives that have been suggested is clear.□ The President chose protecting Medicare instead of turning it over to the HMOs through a voucher system.□ His plan uses the surplus to protect and extend the life of Social Security and Medicare rather than giving tax breaks to those who do not need them.□ The President took the historic step of providing a prescription drug benefit to all seniors, even though some argued for limiting assistance to only those with very low incomes.□ He resisted raising the age of eligibility and turning Medicare into a welfare program that would limit benefits or set premiums based on income.□ □

"Can the President's proposal be improved?□ Of course it can.□ I am concerned about the effects of new cost sharing requirements that raise some out-of-pocket costs for seniors.□ I have questions about the incentives for seniors to enroll in low-cost HMOs and the quality of care they will receive. I would like to see the drug benefit expanded further.

"But the battle lines are clearly drawn. Seniors and persons with disabilities are ready to support a Medicare proposal that is fair. I am anxious to see many of the details in the President's proposal and look forward to working with the Administration, my colleagues in Congress, and groups throughout the nation to help pass a comprehensive and quality Medicare proposal."