

Bush Signing Medicare Bill December 8, 2003

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SECRETARY TOMMY THOMPSON: -- Thank you. What a glorious day. I want to take this opportunity to thank all of you for coming. I'd certainly like to thank the tremendous team at HHS. For America's seniors, a strong and modern Medicare starts today. It took a lot of work to get us here. And it took the leadership of President George W. Bush.

For years, for years Washington struggled with Medicare. But the President reminded us that Medicare is a commitment to our seniors. He worked with congressional leadership and members of both parties and this President made sure the job was completed. George W. Bush delivered for seniors. Everyone is excited about the improved benefits. This law will also move our health care system from a focus on treating disease to a focus on preventing disease. Our doctors won't be satisfied just to keep people alive. They will also keep them well. From now on, we will measure success not by the absence of illness, but the quality of life. I am very proud and honored to introduce a man who stands up for quality health care and he stands up for America's seniors. Ladies and gentlemen, the great President of the United States, George W. Bush.

PRESIDENT GEORGE W. BUSH: Thank you all. Thank you all very much. Thanks. Thank you all, good morning. Good morning, thanks for the warm welcome. In a few moments I will have the honor of signing an historic act of Congress into law.

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I'm pleased that all of you are here to witness the greatest advance in health care coverage for America's seniors since the founding of Medicare.

With the Medicare Act of 2003, our government is finally bringing prescription drug coverage to the seniors of America. With this law, we're giving older Americans better choices and more control over their health care so they can receive the modern medical care they deserve. With this law we are providing more access to comprehensive exams, disease screenings, and other preventative care so that seniors across this land can live better and healthier lives. With this law we are creating health savings accounts. We do so, so that all Americans can put money away for their health care tax-free. Our nation has the best health care system in the world. And we want our seniors to share in the benefits of that system. Our nation has made a promise, a solemn promise to America's seniors. We have pledged to help our citizens find affordable medical care in the later years of life.

Lyndon Johnson established that commitment by signing the Medicare Act of 1965. And today, by reforming and modernizing this vital program, we are honoring the commitments of Medicare to all our seniors. The point man in my administration on this issue was Secretary Tommy Thompson and he and his team did a fabulous job of working with the Congress to get this important piece of legislation passed. Tommy I

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want to thank you for your work.

This bill passed the Congress because of the strong leadership of a handful of members starting with the Speaker of the House, Denny Hastert. Mr. Speaker. Mr. Speaker was joined by Senator Bill Frist, Senate Majority Leader of the Senate, in providing the leadership necessary to get this bill done. I want to thank you both. I appreciate the hard work of the House Majority Leader, Tom DeLay, in seeing that this bill was passed. I also appreciate the hard work of the Chairman of the Ways and Means Committee, Chairman Bill Thomas, for his good work. The Chairman of the Finance Committee in the Senate, Senator Chuck Grassley, did a noble job. And he was joined in this task by the ranking member of the Finance Committee, Senator Max Baucus of Montana. And the entire Senate effort was boosted by the efforts of a man from Louisiana, Senator John Breaux. And speaking about Louisiana, Billy Tauzin of the House of Representatives did great work on this bill. Senator Orrin Hatch from Utah made a significant contribution. Nancy Johnson, the House member from Connecticut, did a great job. Mike Bilirakis from Florida worked hard on this piece of legislation. I want to thank all the other members of the Congress and the Senate who have joined us. Thank you all for taking time out of your busy schedules to share in this historic moment.

I appreciate Tom Scully, the Administrator of the

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Centers for Medicare and Medicaid Services, for his good work. The Director of the CDC, Julie Gerberding is with us today. Julie, thank you for coming. The Food and Drug Administration Commissioner, Mark McClellan, is here. Jo Anne Barnhart, the Commissioner of the Social Security Administration is with us. Thank you for coming Jo Anne. Kay James who is the Director of the Office of Personnel Management is with us. Thank you for coming Kay.

A lot of this happened, this bill happened because of grassroots work. A lot of our fellow citizens took it upon themselves to agitate for change, to lobby on behalf of what's right. We had some governors' support around the country; Governor Greg Benson from New Hampshire is with us today. Governor, thank you for coming.

But the groups that speak for the elderly did fantastic work on this legislation. You see there was a lot of pressure not to get something done, for the wrong reasons I might add. But Bill Novelli, the CEO of AARP, stood strong in representing the people he was supposed to represent and worked hard to get this legislation passed. And Bill, I want to thank you for your leadership. And you were joined by Jim Parkel who is the President of the AARP. Jim, I want to thank you as well. For doing what was right. For focusing on the needs of the seniors of our country. Jim Martin, the President of Sixty Plus Association, worked hard. Charlie Jarvis, the Chairman and CEO

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of the United Seniors Association, worked hard. Mike Maves, the Executive Vice President and CEO of the AMA, worked hard on this piece of legislation. Mary Martin, the Chairman of the Board of the Seniors Coalition, worked hard. And the truth of the matter is, a lot of good people worked hard to get this important legislation done. And I thank you for your work.

Medicare is a great achievement of a compassionate government. And it is a basic trust we honor. Medicare has spared millions of seniors from needless hardship. Each generation benefits from Medicare. Each generation has a duty to strengthen Medicare. And this generation is fulfilling our duty. First and foremost this new law will provide Medicare coverage for prescription drugs. Medicare was enacted to provide seniors with the latest in modern medicine. In 1965 that usually meant house calls, for operations, for long hospital stays. Today modern medicine includes outpatient care, disease screenings, and prescription drugs. Medicine has changed. But Medicare has not. Until today.

Medicare today will pay for extended hospital stays for ulcer surgery, to the cost of about twenty-eight thousand dollars per patient. Yet Medicare will not pay for the drugs that eliminate the cause of most ulcers. Drugs that cost about five hundred dollars a year. It's a good thing that Medicare pays when seniors get sick. Now you see, we're taking this a step further. Medicare will pay for the prescription drugs so

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that fewer seniors will get sick in the first place. Drug coverage under Medicare will allow seniors to replace more expensive surgeries and hospitalizations with less expensive prescription medicine. And even more important, drug coverage under Medicare will save our seniors from a lot of worry. Some older Americans spend much of their social security checks just on their medications. Some cut down on the dosage to make a bottle of pills last longer. Elderly Americans should not have to live with those kinds of fears and hard choices. This new law will ease the burden on seniors and will give them the extra help that they need.

Seniors will start seeing help quickly. During the transition to the full prescription benefits, seniors will receive a drug discount card. This Medicare approved card will deliver savings of ten to twenty five percent off the retail price of most medicines. Low income seniors will receive the same savings, plus a six hundred dollar credit on their cards to help them pay for the medications they need.

In about two years full prescription coverage under Medicare will begin. In return for a monthly premium of about thirty-five dollars, most seniors without any prescription drug coverage can now expect to see their current drug bills cut roughly in half. This new law will provide ninety-five percent coverage for out of pocket drug spending that exceeds three thousand six hundred dollars a year.

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For the first time we're giving seniors peace of mind that they will not have to face unlimited expenses for their medicine. The new law offers special help to one third of older Americans with low incomes. Such as a senior couple with low savings and annual income of about eighteen thousand dollars or less. These seniors will pay little or no premiums for full drug coverage. Their deductible will be no higher than fifty dollars per year. And their co-payment on each prescription will be as little as a dollar. Seniors in the greatest need will have the greatest help under the modernized Medicare system.

I visited with seniors around the county and heard many of their stories. I'm proud that this legislation will give them practical and much needed help. Mary Jane Jones from Midlothian, Virginia, has a modest income. Her drug bills total nearly five hundred dollars a month. Things got so tight for a while she had to use needles twice or three times for her insulin shots. With this law, Mary Jane won't have to go to such extremes. In exchange for a monthly premium of about thirty-five dollars, Mary Jane Jones would save nearly two thousand seven hundred dollars in annual prescription drug spending.

Hugh Iverson from West De Moines, Iowa just got his Medicare membership. That's a good thing. Because he hadn't had health insurance for more than three years. His drug bills

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total at least four hundred dollars a month. In two years, with the thirty-five dollar a month coverage, he'll be able to cut those bills nearly in half, saving him about two thousand, four hundred dollars a year.

Neil LeGrow (misspelled?) from Culpepper, Virginia, takes fifteen medications, costing him at least seven hundred dollars a month. To afford all those medications, Neil has to stay working. And thanks to this law, once he is enrolled in the drug benefit, he'll be able to cut back his work hours and enjoy his retirement more because he'll have coverage that saves him about four thousand seven hundred dollars a year.

I promised these seniors when I met with them, that we would work hard to give them the help they need. They are all here today. So I am happy to report to them in person, Mary Jane, Hugh, and Neil, we are keeping our promise.

In addition to providing coverage for prescription drugs, this legislation achieves a second great goal. We're giving our seniors more health care choices so they can get the coverage and care that meets their needs. Every senior needs to know, if you don't want to change your current coverage, you don't have to change. You're the one in charge. If you want to keep your Medicare the way it is, along with the new prescription benefit that is your right. If you want improved benefits, maybe dental coverage, eyeglass coverage, managed care plans that reduce out of pocket costs, you'll be free to

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make those choices as well. And when seniors have the ability to make choices, health care plans within Medicare will have to compete for their business by offering higher quality service. For the seniors of America, more choices and more control will mean better health care.

These are the kinds of health care options we give to the members of Congress and federal employees. They have the ability to pick plans that are right for their own needs. What's good for members of Congress is also good for seniors. Our seniors are fully capable of making health care choices. And this bill allows them to do just that.

A third purpose achieved by this legislation is smarter medicine within the Medicare system. For years our seniors have been denied Medicare coverage for a basic physical exam. Beginning in 2005 all newly enrolled Medicare beneficiaries will be covered for a complete physical. The Medicare system will now help seniors and their doctors diagnose health problems early so they can treat them early and our seniors can have a better quality life. For example, starting next year, all people on Medicare will be covered for blood tests that can diagnose heart diseases. Those at high risk for diabetes will be covered for blood sugar screening tests. Modern health care is not complete without prevention. So we're expanding preventative services under Medicare.

Fourth, the new law will help all Americans pay for out

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of pocket health costs. This legislation will create health savings accounts, effective January first, 2004. So Americans can set aside up to four thousand, five hundred dollars every year, tax free, to save for medical expenses. Depending on your tax bracket that means you'll save between ten to thirty-five percent on any costs covered by money in your account. Our laws encourage people to plan for retirement and to save for education. Now the law will make it easier for Americans to save for their future health care as well. A health savings account is a good deal. And all Americans should consider it. Every year the money not spent would stay in the account and gain interest tax free just like an IRA. And people will have an incentive to live more healthy life styles because they want to see their health savings account grow. These accounts will be good for small business owners and employees. More businesses can focus on covering workers for major medical problems such as hospitalization for an injury or illness. And at the same time, employees and their families will use these accounts to cover doctor's visits or lab tests or other smaller costs. Some employers will contribute to employee health accounts. This will help more American families get the health care they need at the price they can afford.

The legislation we are about to sign will set in motion a series of improvements in the care available to all America's senior citizens. And as we begin, it is important for seniors

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and those approaching retirement to understand their new benefits. This coming spring, seniors will receive a letter to explain the drug discount card. In June these cards, including the six hundred dollar annual drug credit for low income seniors, will be activated. This drug card can be used to the end of 2005. In the fall of that year seniors will receive an information booklet giving simple guidance on changes in the program and the new choices they will have. Then in January of 2006, seniors will have their new coverage including permanent coverage for prescription drugs.

These reforms are the act of a vibrant and compassionate government. We show our concern for the dignity of our seniors by giving them quality health care. We show our respect for seniors by giving them more choices and more control over their decision making. We are putting individuals in charge of their health care decisions. And as we move to modernize and reform other programs of this government, we will always trust individuals and their decisions and put personal choice at the heart of our efforts.

The challenges facing seniors on Medicare were apparent for many years, and those years passed with much debate and a lot of politics and little reform to show for it. And that changed with the hundred and eighth Congress. This year we met our challenge with focus and perseverance. We confronted problems instead of passing them along to future

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administrations and future Congresses. We overcame old partisan differences. We kept our promise and found a way to get the job done. This legislation is the achievement of members in both political parties. And this legislation is a victory for all of America's seniors.

Now I'm honored and pleased to sign this historic piece of legislation, the Medicare Prescription Drug Improvement and Modernization Act of 2003.

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