

SPEECH OF CONGRESSMAN LES AUCOIN
WASHINGTON COUNTY COUNCIL ON AGING
JANUARY 20, 1985

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I'M PLEASED TO JOIN YOU FOR THE 25TH ANNUAL MEETING OF THE WASHINGTON COUNTY COUNCIL ON AGING. TWENTY-FIVE YEARS IS A LONG TIME. ALTHOUGH IT SOMETIMES FEELS LIKE IT, I HAVEN'T BEEN IN CONGRESS QUITE THAT LONG. YET AS I THINK BACK OVER THE 11 YEARS WE'VE BEEN WORKING TOGETHER, IT'S BEEN MY PLEASURE TO WATCH THE COUNCIL EXPAND TO PROVIDE A WIDE ARRAY OF SERVICES -- A BUS SYSTEM IN NORTH PLAINS AND SHERWOOD, SENIOR CENTERS, A MEAL INCENTIVE AWARD PROGRAM, SPECIAL WORKSHOPS AND CABLE TELEVISION PROGRAMS. I CONGRATULATE YOU ON YOUR SUCCESS.

OVER THESE SAME 11 YEARS, HOWEVER, WE'VE SEEN SENIORS PROGRAMS GET THE SHORT SHRIFT TIME AND AGAIN FROM A FEDERAL BUREAUCRACY FAR MORE CONCERNED ABOUT MX MISSILES AND SPACE WARS. UNFORTUNATELY, 1985 WAS NO EXCEPTION. LAST OCTOBER CONGRESS UNCOVERED SOME BUREAUCRATIC DOUBLE DEALINGS THAT HAD THE POTENTIAL TO SERIOUSLY DAMAGE THE SOCIAL SECURITY SYSTEM.

YOU'VE ALL PROBABLY HEARD ABOUT THE BUDGET BALANCING PLAN CALLED GRAMM-RUDMAN, WHICH IS NOW THE LAW OF THE LAND. I SUPPORT THIS LEGISLATION BECAUSE AT LONG LAST IT BRINGS SOME BADLY NEEDED DISCIPLINE TO FEDERAL SPENDING. AND THAT COULD BE VERY GOOD NEWS, INDEED, FOR OREGON'S ECONOMY.

WHAT I DON'T AGREE WITH IS THE MANNER IN WHICH SENIOR PROGRAMS WERE NEEDLESSLY PUT AT RISK BY POLITICAL TACTICS DESIGNED TO RUSH GRAMM-RUDMAN THROUGH CONGRESS. AS YOU MAY RECALL, GRAMM-RUDMAN WAS ATTACHED TO A LARGER BILL NEEDED TO CONTINUE FUNDING THE FEDERAL GOVERNMENT. IN AN ATTEMPT TO WIN QUICK PASSAGE WITHOUT DEBATE, THE DEPARTMENT OF TREASURY TOOK THE DANGEROUS STEP OF USING SOCIAL SECURITY PAYROLL TAXES TO FUND THE FEDERAL GOVERNMENT.

THINK ABOUT IT. FOR THE SAKE OF PUTTING SOME ADDITIONAL PRESSURE ON

CONGRESS, THE TREASURY BLEED THE SOCIAL SECURITY TRUST FUND FROM A HEALTHY \$35 BILLION DOWN TO \$8 BILLION. HAD THIS CONTINUED, THE SOLVENCY OF THE SYSTEM COULD HAVE BEEN CALLED INTO DOUBT.

THAT KIND OF JUGGLING HAS GOT TO STOP. WITH MY STRONG SUPPORT, CONGRESS HAS PASSED A BILL TO REPAY THE SOCIAL SECURITY TRUST FUND, WITH INTEREST. LEGISLATION TO TIGHTEN OVERSIGHT OF SOCIAL SECURITY SHOULD COME TO A VOTE SOMETIME THIS YEAR.

IF I MAY, I'D LIKE TO SPEND A COUPLE OF MINUTES TALKING ABOUT GRAMM-RUDMAN. I'M SURE MANY OF YOU HAVE QUESTIONS ABOUT THIS LAW. THE FINAL VERSION OF GRAMM-RUDMAN, WHICH I VOTED FOR, PROTECTS MEDICAID AND SOCIAL SECURITY FROM ANY ACROSS THE BOARD CUTS, AND HOLDS CUTS IN MEDICARE TO NO MORE THAN 2%. THE LEGISLATION ALSO GUARANTEES THAT THE DEPARTMENT OF THE DEFENSE, FOR THE FIRST TIME, WILL FACE THE BUDGET AXE.

THE SIMPLE FACT IS THAT THE FEDERAL DEFICIT IS OUT OF CONTROL. WE FACE A DISASTROUS DAY OF RECKONING UNLESS WE BRING DISCIPLINE TO FEDERAL SPENDING -- AND NOW. I SUPPORT GRAMM-RUDMAN FOR THAT REASON, AND SO THAT PEOPLE IN CONGRESS WHO WANT TO VOTE FOR MX MISSILES WILL HAVE TO WEIGH THAT VOTE AGAINST EXPENDITURES FOR NUTRITION PROGRAMS, FOR HEALTH AND SOCIAL JUSTICE, AND THEN GO BACK HOME, LOOK THEIR CONSTITUENTS IN THE EYE AND TELL THEM "WHY".

UNTIL THIS HAPPENS, WE RUN THE RISK OF MORE TREASURY RAIDS AND MORE DEVIANT ATTEMPTS TO FORCE MEDICARE TO TAKE A DISPROPORTIONATE SHARE OF CUTS.

THIS LEADS ME TO THE CENTRAL QUESTION I WANT TO DISCUSS WITH YOU TODAY. IT'S BASICALLY A QUESTION OF PRIORITIES. DOES CONGRESS PUT A PRIORITY ON THE UNIQUE SET OF PROBLEMS YOU, AS SENIORS, FACE? AND IF SO, WHAT CAN YOU EXPECT TO SEE HAPPENING TO MEDICARE, SOCIAL SECURITY AND OTHER PROGRAMS IMPORTANT TO ELDERLY AMERICANS?

I BELIEVE THERE IS A GROWING AWARENESS OF YOUR PROBLEMS, INCLUDING HEALTH CARE, EMPLOYMENT AND RETIREMENT SECURITY. FURTHER, WITHIN THE CONSTRAINTS OF THE BUDGET, THERE IS A MOVEMENT TO FIND SOME SOLUTIONS.

LET'S TAKE HEALTH CARE AS AN EXAMPLE. THE FEDERAL GOVERNMENT PAYS ONE THIRD OF ALL MEDICAL BILLS IN THE UNITED STATES. THIS IS A TREMENDOUS INVESTMENT. BUT UNDER CURRENT CONDITIONS, IT DOESN'T EVEN COME CLOSE TO MEETING NEED. THE HOUSE SELECT COMMITTEE ON AGING RECENTLY PUT OUT A STUDY WITH SOME STARTLING FACTS. LAST YEAR, IF YOU'RE CLOSE TO THE NATIONAL AVERAGE, YOU PROBABLY SPENT ABOUT 15 PERCENT OF YOUR INCOME ON HEALTH CARE. THAT'S A HIGHER PERCENTAGE THAN YOU WOULD HAVE SPENT IN 1965, WHEN MEDICARE WAS INITIATED. WORSE YET, THE AGING COMMITTEE ESTIMATES THAT, WITHOUT SOME SIGNIFICANT REFORMS, THAT TOTAL WILL RISE TO 20 PERCENT BY 1990.

I DON'T CARE HOW CAREFULLY YOU BUDGET, IF YOU'RE LIVING ON A FIXED INCOME YOU CAN'T AFFORD TO SPEND UPWARDS OF \$1500 A YEAR ON HEALTH CARE. AND THE FEDERAL GOVERNMENT, WITH BUDGET PROBLEMS OF ITS OWN, CAN NO LONGER AFFORD POLICIES THAT HAVE HELPED SEND THE PRICE OF MEDICINE THROUGH THE ROOF.

HEALTH CARE HAS TO BECOME MORE COMPETITIVE, AND MORE COST-EFFECTIVE. CONGRESS TOOK THE FIRST STEP DOWN THIS ROAD BY INSTITUTING THE PROSPECTIVE PAYMENT SYSTEM SEVERAL YEARS AGO. PROSPECTIVE PAYMENT MAY BE ONE ANSWER FOR THE LONG RUN. BUT OVER THE SHORT HAUL, THE QUESTION WE FACE IS THIS: HOW CAN CONGRESS BALANCE THE NEED TO PROTECT YOUR INTERESTS WITH THE NEED TO BRING MEDICARE EXPENDITURES UNDER CONTROL?

LAST JUNE, WE APPROVED A BUDGET THAT ATTEMPTS TO RECONCILE THESE CONFLICTING GOALS. TO CUT THE DEFICIT, CONGRESS DECIDED TO CHOP MEDICARE EXPENSES BY \$11 BILLION -- WITHOUT CUTTING BENEFITS. SOUND LIKE AN IMPOSSIBLE TASK? I THOUGHT SO TOO, BUT I BELIEVE WE PULLED IT OFF.

WE DID IT BY EXTENDING THE FREEZE ON PHYSICIAN FEES FOR ONE YEAR. WE BROUGHT NEW STATE AND LOCAL EMPLOYEES INTO THE MEDICARE SYSTEM AND ASKED FOR SECOND OPINIONS BEFORE SOME ELECTIVE SURGERY; A CHANGE THAT SHOULD ALSO PROVIDE MORE SECURITY TO MEDICARE PATIENTS.

THESE SAVINGS GAVE US THE FLEXIBILITY TO SEEK SOME LONG OVERDUE IMPROVEMENTS. WE DELAYED THE COMPLETE PHASE-IN FOR THE PROSPECTIVE PAYMENT SYSTEM, BUYING TIME TO EVALUATE ITS EFFECTS ON PATIENT CARE. BY THE WAY, I HELPED OREGON HEALTH CARE SYSTEMS GET A FEDERAL GRANT TO COMPLETE A STUDY TO DETERMINE WHETHER PATIENTS ARE BEING DISCHARGED TOO EARLY UNDER PROSPECTIVE PAYMENT. I HOPE TO SEE THE RESULTS OF THIS STUDY BY APRIL. WE FILLED A GAP IN THE SYSTEM BY PROVIDING MEDICARE COVERAGE FOR SOME OPTOMETRIC SERVICES, MADE HOSPICE COVERAGE PART OF PERMANENT LAW AND REDUCED THE PENALTY FOR LATE ENROLLMENT IN MEDICARE.

THESE CHANGES HAVE YET TO BECOME LAW. I ANTICIPATE, HOWEVER, THAT THEY WILL BE THE FIRST ORDER OF BUSINESS WHEN CONGRESS RECONVENES ON JANUARY 21.

WE'RE ALSO FINDING OTHER WAYS TO PAY FOR IMPROVEMENTS AS WE GO. I RECENTLY CO-SPONSORED A BILL TO ATTACK THE PROBLEM OF HUGE INCREASES IN THE MEDICARE HOSPITAL DEDUCTIBLE. AS YOU'RE PROBABLY AWARE, THE DEDUCTIBLE INCREASED THIS MONTH FROM \$400 TO \$492. THIS 23% INCREASE COMES ON THE HEELS OF A 12% RISE LAST YEAR.

THIS INCREASE IS SO PATENTLY UNFAIR THAT I'VE EVEN BEEN GETTING LETTERS FROM HOSPITAL ADMINISTRATORS WHO OPPOSE IT. AS ONE WROTE ME, "THIS REPRESENTS AN INCREASE THAT HAS NO RELATIONSHIP TO THE INCREASE IN MEDICAL COSTS OR TO THE INCREASE IN THE MEDICARE BENEFICIARY'S SOCIAL SECURITY INCOME."

THE LEGISLATION I'VE CO-SPONSORED WOULD CHANGE THE LAW SO THAT THE DEDUCTIBLE, FOR BOTH HOSPITAL AND NURSING HOME CARE, CAN RISE NO FASTER THAN THE COST OF LIVING INCREASE FOR SOCIAL SECURITY. SO WE DON'T MAKE THE DEFICIT WORSE THAN IT ALREADY IS, WE'LL INCREASE THE TOBACCO TAX FROM 16¢ TO 32¢ TO PAY FOR THIS CHANGE.

ADMITTEDLY, THESE BILLS GO NO FURTHER THAN PROTECTING THE STATUS QUO. THAT'S NOT GOOD ENOUGH. CONGRESS MUST BEGIN TO TACKLE ONE OF THE BIGGEST PROBLEMS IN HEALTH CARE -- THE COST OF LONG TERM TREATMENT.

AT THE TURN OF THE CENTURY, THE ELDERLY IN AMERICA WERE MOST SUSCEPTIBLE TO ACUTE ILLNESSES. TODAY THE SITUATION IS RADICALLY DIFFERENT. YOU FACE HEALTH PROBLEMS THAT ARE BOTH MORE CHRONIC AND MORE COMPLEX. THIS CHANGE IS REFLECTED BY THE FACT THAT NURSING HOME USE IN THIS COUNTRY HAS DOUBLED OVER THE PAST TWENTY YEARS.

CONGRESS HAS MADE SOME SMALL ADVANCES. WE'VE ALLOWED TEMPORARY WAIVERS AND DEMONSTRATION PROJECTS FOR HOME CARE PROGRAMS. WE'VE STARTED TO TARGET RESEARCH DOLLARS AT ALZHEIMERS AND OTHER LONG TERM DISEASES. BUT THE URGENT NEED IS TO BREAK THE CYCLE OF POVERTY THAT GRIPS TOO MANY ELDERLY AMERICANS STRUCK BY A DEBILITATING ILLNESS.

ONE OF THE DIRTY SECRETS IN AMERICA TODAY IS THE FACT THAT MEDICARE DOESN'T COVER MOST LONGTERM CARE. TO MEET NURSING HOME COSTS, TOO MANY ELDERLY PEOPLE ARE FORCED TO "SPEND DOWN" TO QUALIFY FOR MEDICAID. LET ME SHARE AN ALL TOO TYPICAL STORY WHICH ILLUSTRATES THIS PROBLEM.

MAUDE, A 79 YEAR OLD WIDOW LIVED ALONE IN A SMALL APARTMENT IN NW PORTLAND. HER INCOME WAS HER MONTHLY SOCIAL SECURITY CHECK AND SOME SUPPLEMENTAL SECURITY INCOME. ONE DAY MAUDE BROKE HER HIP, AN ACCIDENT WHICH TRIGGERED A BOUT WITH ARTHRITIS AND FORCED HER TO ENTER A NURSING HOME. BECAUSE ALL THE HOMES NEARBY HAD FILLED THEIR "QUOTA" OF PATIENTS WITH LIMITED INCOME, MAUDE ENDED UP IN A NURSING HOME FAR AWAY FROM HER FAMILY WHERE SHE WAS ALONE MUCH OF THE TIME. WITHIN ONE YEAR SHE HAD EXHAUSTED HER LIFETIME SAVINGS OF \$10,000 AND WAS FORCED -- LIKE 80% OF THE 14,000 NURSING HOME PATIENTS IN OREGON -- TO GO ON MEDICAID.

UNFORTUNATELY, THIS ISN'T AN ISOLATED INCIDENT. ONE OF THE MOST FRIGHTENING SURVEYS I'VE SEEN RECENTLY CAME OUT OF BLUE CROSS/BLUE SHIELD OF MASSACHUSETTS. THE SURVEY EXAMINED THE ECONOMIC PROSPECTS OF SENIORS STRUCK BY A DEBILITATING ILLNESSES. ACCORDING TO BLUE CROSS, 63 PERCENT OF ELDERLY PERSONS THERE WOULD BE IMPOVERISHED AFTER ONLY 13 WEEKS IN A NURSING HOME.

THE OUTLOOK ISN'T MUCH BETTER FOR MARRIED COUPLES; ONE OUT OF THREE COUPLES WOULD DEplete THEIR ASSETS IN 13 WEEKS. AND, SIMILAR TO OREGON, MEDICAID PAYS FOR 75 PERCENT OF NURSING HOME COSTS IN MASSACHUSETTS.

WHO BENEFITS FROM THIS SYSTEM? SOME ATTORNEYS WHO'VE GOTTEN INTO THE BUSINESS OF MOVING AROUND ASSETS SO THAT FOLKS CAN QUALIFY FOR MEDICAID. SOME OF THE MORE UNSCRUPULOUS NURSING HOMES.

THOSE WHO LOSE ARE SENIOR CITIZENS WHO'VE PAID THEIR SHARE OF MEDICARE TAXES AND HAVE EVERY RIGHT TO ADEQUATE HEALTH CARE.

WORKING TOGETHER WE CAN FIND A SOLUTION TO THIS AND OTHER PROBLEMS. OREGONIANS HAVE LONG BEEN AT THE FOREFRONT OF SENIOR ISSUES THROUGH PROGRAMS SUCH AS PROJECT INDEPENDANCE, WHICH WORKS TO KEEP PEOPLE IN THEIR HOMES AND OUT OF NURSING HOMES. THE OLDER AMERICANS ACT, WHICH I STRONGLY SUPPORT, PROVIDES THE TOOLS FOR INOVATIVE PLANNING AND COODINATION OF OTHER PROJECTS GEARED SPECIFICALLY TO SENIOR CITIZENS. WITH A SMALL STAFF, AND A HUGE CORPS OF VOLUNTEERS, YOU HAVE TAKEN THESE TOOLS AND CREATED SUCCESSFUL PROGRAMS TO PROVIDE MEAL DELIVERY, TRANSPORTATION AND OTHER SERVICES.

I HAVE WORKED TO ASSIST YOU IN THESE EFFORTS. ON MY WAY OUT HERE THIS AFTERNOON I THOUGHT BACK TO 1984 WHEN I WORKED WITH OTHER MEMBERS OF THE OREGON DELEGATION TO CONVINCe THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO EXTEND THE STATE'S PIONEER PROGRAM FOR MEDICAID FINANCED HOME HEALTH CARE. WE WERE SUCCESSFUL IN EXTENDING THIS HUMANE ALTERNATIVE TO NURSING HOME CARE FOR ANOTHER THREE YEARS.

I HAVE BEEN ACTIVE IN OTHER AREAS. IN 1984 I BROUGHT CONGRESSMAN DICK GEPHARDT TO OREGON TO TALK ABOUT HIS PROPOSALS FOR HEALTH CARE COST CONTAINMENT. I ALSO SUPPORTED LEGISLATION MAKING IT EASIER TO MARKET GENERIC DRUGS, WHICH SHOULD HELP TO BRING DOWN PRESCRIPTION COSTS.

MY PORTLAND OFFICE IS AT YOUR DISPOSAL SHOULD YOU HAVE PROBLEMS WITH MEDICARE PAYMENT, SOCIAL SECURITY OR ANY OTHER AGENCY OF THE FEDERAL GOVERNMENT. MARY K. ELLIOTT-PARHAM AND COLLEEN D'ARCY OF MY STAFF WERE INVOLVED IN PLANNING A RECENT DRG CONFERENCE IN PORTLAND, AND WOULD BE MORE THAN HAPPY TO WORK WITH YOU ON SIMILAR PROJECTS AND TO HEAR YOUR SUGGESTIONS FOR IMPROVING HEALTH CARE.

A SOCIETY AS RICH AS OURS CANNOT AFFORD TO CONTINUE PROGRAMS THAT ROB THE INDEPENDENCE OF OLDER AMERICANS. YOU'VE EARNED THE RIGHT TO LIVE OUT YOUR LIVES WITH DIGNITY. HELPING TO MEET THAT GOAL IS MY TASK.