

SENATOR BOB DOLE

AMERICAN HEALTH

CARE ASSOCIATION

TUESDAY, MAY 7, 1991

I HAVE NO DOUBT IN MY MIND THAT THE MOST IMPORTANT DOMESTIC CHALLENGE OUR NATION FACES IN THE LAST DECADE OF THIS CENTURY MAY WELL BE HOW TO PROVIDE HEALTH CARE FOR OUR CITIZENS AND HOW TO PAY FOR IT. AS ALL OF YOU KNOW ONLY TOO WELL, THIS SUBJECT ALREADY IS THE PRINCIPAL POINT OF CONTENTION IN LABOR-MANAGEMENT RELATIONS AND IS VERY LIKELY TO BE A MAJOR POLITICAL BATTLE IN THE MONTHS TO COME. FOR WHILE WE CAN AGREE ON THE EXISTENCE OF THE PROBLEM, THE SOLUTIONS WILL DIFFER WIDELY. AND PERHAPS THE MOST DAUNTING PROBLEM OF ALL, WILL BE THE FINANCING OF LONG TERM CARE SERVICES FOR OUR ELDERLY AND DISABLED.

AMERICAN HEALTH CARE IS ADMIRERD THROUGHOUT THE WORLD FOR ITS SOPHISTICATED AND QUALITY. YET, IT IS UNDER ATTACK AT HOME. WHY?

YOU ALL KNOW THE GRIM STATISTICS. WE ARE SPENDING \$660 BILLION PER YEAR, OR ALMOST \$2 BILLION EVERY DAY -- FOR A SYSTEM THAT SERVES FAR TOO MANY OF US INADEQUATELY OR NOT AT ALL. THIRTY-SOME MILLION AMERICANS, ALMOST ONE-HALF OF THEM CHILDREN, HAVE NO HEALTH INSURANCE, AND THUS EXTREMELY LIMITED ACCESS TO ANY HEALTH CARE.

WE SPEND MORE PER CAPITA ON HEALTH CARE THAN ANY OTHER NATION IN THE WORLD. YET WE LAG BEHIND MANY COUNTRIES IN KEY HEALTH INDICATORS SUCH AS INFANT MORTALITY AND LIFE EXPECTANCY.

THERE IS A STRONG FEELING THAT OUR HEALTH DOLLARS ARE BEING SUCKED INTO A BOTTOMLESS PIT. BOTH BUSINESS AND GOVERNMENT ARE RE-EXAMINING THEIR HEALTH CARE PROGRAMS AND MAKING CHANGES. THE NATURAL RESPONSE HAS BEEN TO NARROW BENEFITS AND LOWER REIMBURSEMENT TO PROVIDERS.

THE EFFORT TO NARROW BENEFITS AND REDUCE REIMBURSEMENT IN THE PUBLIC AND PRIVATE SECTORS IS A REACTION TRIGGERED BY BOTH FEAR AND FRUSTRATION. WHILE UNDERSTANDABLE, I DO NOT BELIEVE THAT IT IS THE BEST RESPONSE.

WE MUST DEVELOP A NATIONAL STRATEGY FOR ADDRESSING THE HEALTH CARE NEEDS OF ALL AMERICANS. HOW DO WE DO THIS? I BELIEVE WE NEED TO TAKE A TWO-TRACK APPROACH.

FIRST, WE MUST KEEP OUR EYE ON THE BIG PICTURE -- ON FUNDAMENTAL, STRUCTURAL REFORM OF OUR ENTIRE HEALTH CARE SYSTEM. SECOND, BECAUSE THIS REFORM WILL TAKE SOME TIME, WE MUST CONTINUE TO MAKE INCREMENTAL IMPROVEMENTS IN OUR EXISTING PROGRAMS.

I FIRMLY BELIEVE THAT OUR HEALTH CARE DELIVERY SYSTEM MUST BEGIN AT A SIGNIFICANTLY EARLIER STAGE: WITH OUR CHILDREN. IT

IS UNCONSCIONABLE THAT CHILDREN ARE BORN WITH DISABILITIES THAT COULD HAVE BEEN PREVENTED IF MOTHERS HAD ACCESS TO GOOD PRENATAL CARE. IT IS UNCONSCIONABLE THAT A CHILD SHOULD DEVELOP A SERIOUS CONDITION THAT GOES UNDETECTED BECAUSE THE FAMILY CANNOT AFFORD BASIC PREVENTIVE CARE.

WE HAVE MADE SOME INCREMENTAL PROGRESS IN MEETING THESE NEEDS. OVER THE PAST SEVEN YEARS, WE HAVE IMPROVED MEDICAID'S SERVICES TO PREGNANT WOMEN, TO INFANTS, AND TO CHILDREN. BUT CLEARLY MORE NEEDS TO BE DONE.

HAVING SAID THAT, IN NO WAY DO I THINK WE SHOULD IGNORE THE NEEDS OF THE ELDERLY--PARTICULARLY THE POOR ELDERLY.

YOU KNOW BETTER THAN I THE EXTRAORDINARY DEMOGRAPHIC CHANGES FACING US. BETWEEN 1980 AND 2020 THE NUMBER OF AMERICANS AGED 65 AND OLDER IS PROJECTED TO DOUBLE AND EVEN MORE STARTLING, IN APPROXIMATELY THE SAME TIME FRAME THOSE OVER 85 WILL GROW 3-4 TIMES AS FAST AS THE GENERAL POPULATION. CLEARLY NO OTHER DEMOGRAPHIC CHANGE WILL HAVE AS MUCH INFLUENCE ON THE HEALTH OF OUR NATION IN THE NEXT 50 YEARS.

THE GOOD NEWS IS WE'RE LIVING LONGER--BUT IN THOSE LAST YEARS OF LIFE, THE NEED FOR QUALITY, LONG TERM CARE, BE IT INSTITUTIONAL OR HOME BASED, WILL BE THAT MUCH MORE IMPORTANT.

WE IN THE GOVERNMENT NEED TO START PREPARING, AS DO YOU IN INDUSTRY, AS DO INDIVIDUALS. BELIEVE ME, THE ANSWER TO THE FINANCING QUESTIONS FACING US IS NOT SIMPLY A NEW FEDERAL PROGRAM. WE CAN'T AFFORD IT AND NEITHER CAN YOU.

ECONOMIC STATUS OF ELDERLY

THIRTY YEARS AGO THE ELDERLY WERE A RELATIVELY DISADVANTAGED GROUP IN THE POPULATION. THAT IS NO LONGER THE CASE. THE MEDIAN REAL INCOME OF THE ELDERLY HAS MORE THAN DOUBLED SINCE 1950. IN FACT POVERTY RATES AMONG THE ELDERLY HAVE DECLINED SO DRAMATICALLY THAT IN 1983 POVERTY RATES FOR THE ELDERLY WERE LOWER THAN POVERTY RATES FOR THE REST OF THE POPULATION.

IN MY VIEW, AS WE LOOK TO THE FUTURE FOR A PLAN TO FINANCE LONG TERM CARE THE ANSWER IS TO HELP PEOPLE HELP THEMSELVES.

SENATOR PACKWOOD AND I HAVE BEEN WORKING ON SUCH A PLAN. WE PROVIDE FOR BOTH STRENGTHENING OF THE FEDERAL PROGRAM ASSISTANCE FOR THE VERY LOW INCOME ELDERLY, AS WELL AS CREATING A NEW PROGRAM TO ENCOURAGE THE GROWTH OF THE PRIVATE LONG TERM CARE INSURANCE INDUSTRY BY ASSISTING PEOPLE IN THE PURCHASE OF SUCH INSURANCE.

UNLIKE THE PEPPER COMMISSION WE DON'T TRY TO SOLVE EVERYONES PROBLEMS AT AN ADDITIONAL COST OF 70 BILLION DOLLARS PER YEAR.

OURS IS A MORE MODEST PROPOSAL, TARGETED TO HELP THOSE MOST IN NEED.

and *any one you play a*
 OF COURSE WE RECOGNIZE THE CENTRAL ROLE INSTITUTIONS LIKE YOUR OWN PLAY IN THE DELIVERY SYSTEM. NURSING HOME SERVICES AS WELL AS HOME BASED CARE ARE PROVIDED FOR. *You get the*

Standard that will carry us into next cent
 WE HOPE TO ENLIST THE SUPPORT OF OUR DEMOCRAT COLLEAGUES SO OUR BILL IS A BIPARTISAN EFFORT, AND INTRODUCE IT WITHIN THE NEXT MONTH.

NOW LET'S LOOK AT THE BIG PICTURE. I BELIEVE WE ALL AGREE THAT WE COULD MAKE \$660 BILLION GO MUCH FURTHER. BY SETTING SOME PRIORITIES, AND YES, MAKING SOME TOUGH-CHOICES, WE COULD DELIVER APPROPRIATE CARE TO EVERY CITIZEN FOR THE SAME AMOUNT WE ARE SPENDING NOW.

FRUSTRATION ABOUT THE COST OF OUR SYSTEM IS VOICED BY GOVERNMENTS, CORPORATIONS, INDIVIDUALS AND PROVIDERS AND GROUPS LIKE YOUR OWN. WE MUST GIVE THE SYSTEM A MAJOR OVERHAUL. SOME SUGGESTIONS:

- O HOW CAN WE DEAL WITH MALPRACTICE MORE REASONABLY? TO PROTECT THEMSELVES AGAINST MALPRACTICE LAWSUITS, PHYSICIANS PRACTICE AN ABUNDANCE OF DEFENSIVE MEDICINE. WE'VE ALL SEEN IT. CHANGING THIS WILL ENTAIL A VERY

CONTROVERSIAL REFORM OF OUR LEGAL SYSTEM. A GROUP OF REPUBLICAN SENATORS LED BY SENATOR CHAFEE, HEAD OF OUR HEALTH CARE TASK FORCE, ARE WORKING TO PUT SUCH A BILL TOGETHER.

- O SOME BUSINESSES AND INSURANCE COMPANIES ARE DEVISING INNOVATIVE WAYS TO CONTROL HEALTH CARE COSTS -- SUCH AS CONTRACTING WITH LIMITED NUMBERS OF HOSPITALS OR PHYSICIANS TO PROVIDE SERVICES. BUT, THOSE EFFORTS CAN ONLY PROCEED SO FAR WITHOUT ENCOUNTERING SIGNIFICANT ANTI-TRUST PROBLEMS. WE OUGHT TO RE-EXAMINE ANTI-TRUST LAWS TO ACCOMMODATE THESE EFFORTS.

- O WHAT SORT OF HEALTH CARE SHOULD OUR INSURANCE PLANS ENCOURAGE, OR DISCOURAGE? CURRENTLY, MOST INSURANCE, PUBLIC AND PRIVATE, COVER ONLY THE MIDDLE-RANGE OF CARE: THEY DON'T COVER ROUTINE AND PREVENTIVE CARE, AND THEY DON'T COVER TRULY CATASTROPHIC CARE. SHOULD WE RE-ORIENT THE WHOLE SYSTEM TOWARD PREVENTIVE AND PRIMARY CARE?

- O IF WE MADE SURE THAT AFFORDABLE HEALTH CARE COVERAGE WAS AVAILABLE TO EACH AND EVERY AMERICAN, WOULD IT THEN BE REASONABLE TO REQUIRE EACH CITIZEN TO INSURE HIMSELF OR HERSELF, OR PAY SOME AMOUNT -- SCALED TO INCOME -- TO PAY FOR THAT INSURANCE? GIVEN OUR VERY REAL DEFICIT

PROBLEMS, TO SUGGEST SOMETHING OTHER THAN A SHARED PUBLIC, PRIVATE PARTNERSHIP IS VERY UNLIKELY, AND IN MY VIEW, UNWISE.

- O FINALLY, CAN WE OR SHOULD WE PAY FOR UNIVERSAL, COMPREHENSIVE HEALTH CARE BY SIMPLY RESTRUCTURING THE SYSTEM? OR WILL WE NEED TO FIND ADDITIONAL FUNDS? IF SO, HOW MUCH ARE AMERICANS WILLING TO PAY FOR IT? OUR EXPERIENCE WITH CATASTROPHIC WILL MAKE US VERY CAUTIOUS.

WE MUST TAKE ON DIFFICULT DECISIONS OF THIS KIND. WE CAN RESTRUCTURE OUR HEALTH CARE SYSTEM, REORDER OUR PRIORITIES, AND DEVISE A WAY TO DELIVER APPROPRIATE HEALTH CARE TO EVERY AMERICAN. WE OUGHT TO BE ABLE TO DO THAT FOR \$660 BILLION PER YEAR. BUT TO DO IT WILL TAKE COMMODITIES THAT ARE EVEN MORE SCARCE THAN MONEY THESE DAYS: CREATIVITY, BOLDNESS, AND A GREAT DEAL OF POLITICAL WILL. IT WILL ALSO REQUIRE THE COOPERATION AND ASSISTANCE OF HEALTH CARE PROVIDERS AND THE BUSINESS COMMUNITY.

CONCLUSION

WE CERTAINLY DON'T HAVE ALL THE ANSWERS. GROUPS LIKE YOUR OWN CAN HELP US TO FIND THE SOLUTIONS TO THE PROBLEMS I'VE NOTED.

I EXPECT LOTS OF DISCUSSION OVER THE NEXT YEAR; BUT, LITTLE CHANCE OF RESOLUTION. PROPOSALS THAT DEAL WITH BOTH ACUTE CARE

AS WELL AS LONG-TERM CARE WILL BE INTRODUCED BY BOTH SIDES GIVING YOU AMPLE OPPORTUNITY TO OFFER COMMENT. OF COURSE, THE MOST DIFFICULT ISSUE WILL BE FINANCING. SOME WOULD SUGGEST WE SIMPLY MANDATE THE EMPLOYER -- THEREBY INCURRING NO NEW COSTS FOR THE FEDERAL GOVERNMENT. THAT IS A SHORT SIGHTED, POORLY CONCEIVED ANSWER.

ONLY A TRUE PUBLIC, PRIVATE PARTNERSHIP WILL WORK. YES, NEW EXPENDITURES WILL BE NECESSARY. BUT IF WE THINK THE CAUSE IS JUST, WE'LL JUST HAVE TO FIND THE MONEY. WE'LL ALSO HAVE TO FIND A WAY TO HOLD DOWN COSTS.

THE WILL IS HERE. WE NEED TO FIND THE WAY.