

# NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

## 2008 Presidential Candidate Questionnaire

Candidate Name : Chris Dodd

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### **Social Security**

Social Security is our nation's most important and effective income security program. It is fully financed through 2041, and will be able to pay approximately seventy-five percent of expected benefits thereafter. Social Security faces both short-term and long-term financial challenges. In the near term, there will be increasing pressure to cut benefits as a means of reducing recurring federal deficits, even though Social Security does not contribute to the deficit. In the long term, the challenge will be to ensure that beneficiaries after 2041 receive their full, expected benefits.

Do you oppose diverting money from Social Security into individual investment accounts?

**Yes.**

How will your Administration address the challenges facing Social Security?

### *Candidate Response:*

**Seventy years after it was created by FDR, Social Security still provides the majority of retirement income for most American workers. I will ensure that Social Security is strong not only for this generation of seniors, but for generations to come. I will act to ensure Social Security's long-term solvency now – not by privatizing it, but by getting our fiscal house in order. Social Security provides a guaranteed standard of living that gives millions of Americans peace of mind as they look towards their retirement. I will never risk this security through private accounts.**

### **Medicare: Prescription Drug Benefit (Part D)**

The Medicare Modernization Act (MMA) established a prescription drug program administered by private companies and managed care organizations. MMA prohibits Medicare from offering a drug benefit directly and negotiating for the lowest prices possible for seniors.

Will your Administration support creating a Medicare-operated prescription drug benefit?

**Yes.**

Do you support lessening the financial hardship of the donut hole?

**Yes.**

What reforms of the Medicare prescription drug benefit, if any, will your Administration support?

*Candidate Response:*

**Too often, even when older Americans can afford their doctors visits, they can't afford their prescriptions. I will ensure that all seniors have access to affordable prescription drugs. As President, I will require Medicare to harness its tremendous purchasing power to negotiate lower prescription drug prices for its beneficiaries. In addition, I will eliminate the so-called "doughnut hole" in Medicare Part D drug plans to ensure that seniors have adequate, continuous prescription drug coverage year round. I will also legalize the importation of safe prescription drugs from countries like Canada and ensure that seniors are adequately informed about the drugs they are prescribed in clear, easy-to-understand language.**

### **Medicare: Privatization**

Medicare was originally designed to create a national insurance pool that would help make health insurance affordable for seniors. This goal has been eroded over time as Medicare has been increasingly privatized. The Medicare Modernization Act, in particular, not only created a privatized prescription drug benefit, but it also included many long-term changes designed to privatize all of Medicare.

Will your Administration support eliminating unfair excess payments to private Medicare Advantage plans?

**Yes.**

What other changes to strengthen the social insurance nature of traditional fee-for-service Medicare will your Administration support?

*Candidate Response:*

**One of the twin pillars of retirement security in America, Medicare guarantees access to affordable health care for those over 65. I will maintain America's commitment to this historic program and work to strengthen it by ensuring that visits to the doctor and prescription drugs are affordable. Allowing Medicare to negotiate for lower prescription drugs and eliminating the so-called "doughnut hole" in Medicare Part D to ensure coverage all year round will be cornerstones of Medicare reform. In addition, I will ensure that Medicare rules are modified so that seniors are allowed to age in place while receiving the care and services that they need. I will never support privatizing Medicare.**

### **Medicare: Finances**

The Medicare Trustees estimate that the Medicare Hospital Insurance Trust Fund (Part A) will be solvent until 2019, at which time payroll taxes will cover seventy-nine percent of the program's cost. According to the Congressional Budget Office, over the last thirty-five years, health care inflation has been the main factor driving Medicare's cost growth.

Do you concur in the assessment that the Medicare challenge reflects the overall state of health care in our nation and is not a problem confined to the Medicare program itself?

**Yes.**

Will your Administration support elimination of the 45% limit on general revenue contributions to Medicare enacted as part of the Medicare Modernization Act?

**Yes.**

How will your Administration address Medicare's financial situation and the nation's health care cost crisis generally?

*Candidate Response:*

**Many of Medicare's cost problems are tied to the cost problems of the healthcare system generally. Accordingly, my health plan takes a comprehensive approach.**

**Universal coverage is the first essential step to solving our health care cost problems. First, it enables the pooling necessary for market power to leverage better cost-containment and price accountability to make the overall system more affordable. Second, universal coverage gives people better access to care. It enables people to have the medical homes needed to improve prevention and management of chronic disease and avoid the high costs of getting medical care only when illness becomes a crisis. In Medicare, the highest cost beneficiaries are those who were uninsured before they entered Medicare, demonstrating the economic importance of having life-long access to care. Third, universal coverage provides the mechanisms for obtaining improvements in the quality of care and changing patterns of care to get better outcomes at lower costs. Fourth, the Institute of Medicine estimates that we lose up to \$205 billion per year in productivity as a result of poor access to care by the uninsured. The increased productivity that comes with universal coverage will add resources to improve Medicare's long-term viability.**

**Better management of chronic disease is essential to controlling costs in Medicare and in the larger healthcare system. Chronic illness accounts for 74% of private insurance costs, 96% of Medicare costs, and 83% of Medicaid costs. My plan calls for integrating into all private plans operating in Universal HealthMart the best public and private models of chronic disease prevention and management. Similar strategies will be included in Medicare and all public programs to bring down costs and assure an efficient use of resources. This includes enlarging the public health footprint to improve intervention and services at the community level to enhance prevention efforts.**

**Promoting the spread of interoperable information technology both within Medicare and the larger health system will add administrative efficiency, reduce technical medical errors and enable better coordination of care, especially among the multiple providers who may be involved in caring for one person with chronic illness. It will also enhance the development and performance of inter-disciplinary team-based care for the elderly and the chronically ill needed to improve outcomes and bring down costs. Once fully implemented, an integrated wide-spread IT infrastructure is expected to save the health care system \$77 billion per year.**

**Eliminating medical underwriting (insurance company discrimination based on condition) and streamlining marketing has been estimated to save \$64 billion per year. Insurance companies participating in Universal HealthMart, my universal health care marketplace, will be banned from medical underwriting.**

**The current reimbursement for private insurance plans operating in Medicare is so high that private plans alone are expected to bring Medicare to insolvency a full 2 years earlier than projected without the operation of these plans. We must reexamine how we pay private plans so that Medicare gets true value and is not just a windfall to the private insurance industry.**

**Finally, Medicare should have the power, denied by President Bush and the previous Republican Congress, to use its market power to negotiate the prices of prescription drugs purchased in Medicare Part D. This will lower the costs of the prescription drug benefit for the federal government and all seniors.**

### **Federal Budget**

The overall health and well-being of both current and future generations are dependent upon today's fiscal policy decisions. Continued deficit spending will double our gross national debt from \$5.8 trillion in 2001 to a projected \$11.5 trillion in 2012, imperiling our global competitiveness and our obligations to all generations.

What steps will your Administration take to bring the federal budget into balance?

**As President, I will offer a balanced budget that ensures opportunity for all Americans. Under ordinary circumstances, fiscal responsibility is important. At a time when we are spending \$2.5 billion per week on the War in Iraq, it is paramount. This is resulting in unsustainable federal budget deficits that will only worsen as the baby boom generation begins to retire. As President, I will make America's fiscal health a priority.**

### **Medicaid and Long-Term Care**

Because of the high cost of long-term care and because most people do not have long-term care insurance, Medicaid provides a safety net for individuals requiring long-term care assistance. In 2005, Medicaid was the primary source of long-term care financing, providing forty-nine percent of national spending for nursing home care and home- and

community-based long-term care. But Medicaid provides long-term care assistance only after life savings have been depleted to meet eligibility requirements. As the baby boom generation ages, the rising demand for long-term care will increase and will continue to strain families and the Medicaid program.

How will your Administration address our nation's long-term care problem?

*Candidate Response:*

**Today, our seniors are living longer, healthier lives through the miracle of modern medicine. As a result, the demand for long-term care is projected to double over the next decade as the baby boom generation begins to retire, placing unimaginable strains on the system. To ward off this looming crisis, I am proposing a comprehensive and coordinated long-term care strategy including both public and private efforts that allow for maximum flexibility in providing for care that is community-based. As President, I will launch an "Aging in Place" initiative. Through this initiative I will work with states and local governments to develop community-based alternatives for the delivery of care to the elderly and disabled. I will also eliminate the "homebound" rule in Medicare so that seniors and the disabled are not required to be stranded at home in order to receive services. Seniors should be allowed to maintain their independence at home or in their communities with expanded and affordable options for long-term care.**

**Pensions**

Today's workers find it increasingly difficult to prepare adequately for their retirement years. About one-half of our nation's employees work for employers who do not offer any type of retirement plan. Employers who do offer plans increasingly are shifting from guaranteed defined-benefit plans to less stable defined-contribution plans, such as 401(k) plans, leaving employees' retirement savings vulnerable to the volatility of the stock market. Even when employees participate in their plans, stagnant wages, frequent job changes and market downturns make it difficult to accumulate meaningful account balances.

What pension reforms will your Administration promote to enhance coverage, participation and pension protection in both defined-benefit and defined-contribution pension plans?

*Candidate Response:*

**America's private pension system currently covers less than half of America's workers. My plan will expand financial incentives to save for retirement by creating a Universal 401K plan. Modeled on the federal government's Thrift Savings Plan (TSP) for federal employees -- a retirement savings plan that provides a range of investment options and services in exchange for a low fee -- all American workers will have the option to contribute to an individual Universal 401K account through automatic payroll deduction. Tax refunds would be eligible for automatic deposit into the accounts and a mechanism would be available to allow employers to match**

**employee contributions. This low-cost, easy to access pension plan will act as a supplement to Social Security upon retirement.**

**Conclusion:**

Is there anything you would like to add on your background or on issues of importance for the consideration of NCPSSM members?

**I understand that security in retirement is one of our most fundamental values as Americans. After a lifetime of hard work and paying taxes, seniors deserve the dignity of a secure retirement – reliable health care, affordable housing and prescription drugs, secure pensions, and a strong Social Security and Medicare. With proven leadership that ensures a promise made is a promise kept, I believe every senior can look forward to their golden years with optimism.**

**As President, I will provide a secure pension to every American worker through a Universal 401K account, ensure seniors' financial security by protecting them from scams and financial fraud, commit \$1 billion in my first term to expand the supply of affordable senior housing, provide affordable, quality health care to every American and drive down the cost of prescription drugs. I will also provide added resources for affordable home and community based care, strengthen and secure Social Security and Medicare for generations to come, and provide seniors with everyday supports and opportunities to participate more fully in their communities.**