

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

2008 Presidential Candidate Questionnaire

Candidate Name: John Edwards

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.

	Yes	No
Do you oppose diverting money from Social Security into individual investment accounts?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

How will your Administration address the challenges facing Social Security?

Candidate Response:

I am committed to protecting Social Security. I have strongly opposed President Bush's efforts to privatize it, which would cut guaranteed benefits and risked individuals' retirements in the stock market.

Ultimately, we cannot solve Social Security without a package of reforms that earns the support of both Democrats and Republicans. Like the Greenspan commission appointed in 1981 – when the trust fund had only two years left – we need to come together to find a solution. Any such effort should be non-ideological, strongly bipartisan, and committed to the goals of ensuring every American can retire with dignity and extending the life of the Trust Fund. One option is an additional tax on workers with very high incomes.

I also support reforms to the Social Security programs that help people with disabilities and help empower beneficiaries to find work. Supplemental Security Income and Social Security Disability Income (SSDI) should not be an all-or-nothing propositions. SSDI should permit beneficiaries to accumulate more assets without losing all benefits. I also believe we can provide incentives for SSDI recipients to earn reasonable income without losing Medicare and all supplemental income benefits. By doing so, we can promote economic opportunities for people with disabilities as well as strengthen the Social Security system.

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.

	Yes	No
Will your Administration support creating a Medicare-operated prescription drug benefit?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Do you support lessening the financial hardship of the donut hole?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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What reforms of the Medicare prescription drug benefit, if any, will your Administration support?

Candidate Response:

Americans deserve to pay a fair price for prescription drugs and my plan would use the power of the government to benefit taxpayers, not drug companies.

All government programs should leverage their purchasing power through negotiation. A recent study found that Medicare Part D pays 58 percent more for the 20 most commonly prescribed drugs than the lowest price negotiated by the Department of Veterans Affairs. For some drugs, the difference is substantially higher. If private companies can use their size to help get a fair price for drugs, Medicare should get the same advantages. I will work with Congress to repeal the provision preventing Medicare from negotiating drug costs with drug makers for Medicare Part D and empower states to use Medicaid's leverage to purchase drugs at lower prices by consolidating their purchasing power.

I will also give Medicare beneficiaries a chance to obtain their prescription drugs through traditional Medicare, not a private company. This will force private companies to compete with the government to see who is more efficient. I will also prohibit the strong-arm marketing tactics reportedly being use by private plans in Medicare.

To reduce drug costs, I will permit safe reimportation from Canada, restrict direct-to-consumer advertising for new drugs, ensure evaluation research is truly independent, eliminate loopholes and trade obstacles that block generic drugs, and let the FDA approve biogeneric drugs.

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, 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** **No**

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

Candidate Response:

We must protect the future of Medicare and preserve its fee-for-service structure to ensure the health security of all older Americans. I oppose President Bush's efforts to provide Health Savings Accounts (HSAs) for Medicare beneficiaries. This is a dangerous approach that destabilizes Medicare. HSAs are more about tax avoidance for the rich rather than improving health care. As president, I will clamp down on skyrocketing drug costs within Medicare and stop the overpayments of insurance companies, using the savings in part to ensure that low-income Medicare beneficiaries have access to the care they need.

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** **No**

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

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

Candidate Response:

Skyrocketing health care costs have put pressure on Medicare and threaten its long-term solvency. The first step toward extending the life of Medicare is universal health care reform that makes health care more cost-effective, including investments in preventive and chronic care, electronic medical records, and promoting proven cost-effective care.

I was proud to be the first major presidential candidate to propose a specific plan to guarantee quality affordable health care for every man, woman and child in America.

Reducing costs is essential to achieving true universal health insurance and it is a critical goal of my health care plan. My plan will eliminate at least \$130 billion a year in wasteful health care spending and reduce the cost of a typical family policy by \$2000 to \$2500 a year.

Universal coverage will bring down premiums for employers that provide insurance today. The cost of caring for the uninsured adds \$922 to an average family policy. Guaranteeing universal care will end irrational cost-shifting, the practice of providers charging more to those with insurance to cover uncompensated care.

My plan includes another reforms and structural changes to contain costs and improve quality -- investments in electronic medical records, pro-active management of chronic diseases, preventive care, evidence-based medical practices and other initiatives. Many of these reforms will create savings in the Medicare program. I will invest these savings in strengthening Medicare.

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?

Candidate Response:

Our country is facing large challenges, including a broken health care system, global warming, and a need for improved schools. We need to be honest about the costs of addressing those problems. As president, I will pay for new investments in these areas and still reduce the deficit by repealing the Bush tax cuts for the most fortunate families, collecting unpaid taxes and cutting excessive spending, like student loan subsidies and overpayments to private insurance companies in the Medicare Advantage program.

We should aim to bring the record deficits rung up by President Bush down over time. The most important question is not whether the budget is balanced. It is whether we are making the investments we need to make in areas like health care, energy, and education. Solving these problems is more important for our economy and our society than balancing the budget.

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:

Our long-term care system is poorly equipped to give independence to older Americans and forces many families to juggle elder care, child care, and their jobs or spend themselves into poverty to pay for nursing homes. I will reform Medicaid and Medicare to let people to choose home-based care in their communities and test innovations such as asset and income protection programs. I will also support states and communities offering much-needed and often less expensive alternatives – like adult day care and senior villages – that allow seniors to live at home with their loved ones.

Independence is the goal, but we also need to strengthen quality and safety protection in nursing homes. I will establish national standards for nursing home care, increase national enforcement against abusive nursing home chains, expand inspections and increase penalties for homes that fail to provide decent care. I will also help improve quality of care with measures like reducing patient-staff ratios and improving care provider training.

Too many seniors are forced to move from their private homes because they lack supportive services or reliable transportation. I will promote livable communities to make sure every American has the right to age in the setting of their choice. I will create new supportive housing options that give older Americans the choice of community-based living, vigorously enforce civil rights laws to ensure that federally-funded housing is accessible, and protect supportive services like meals-on-wheels and senior centers that sustain independent living.

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:

For a century, defined benefit pension plans have allowed workers to retire with security and dignity. Too often, however, employers have not kept their promises to workers. Employees who have worked hard all their lives should not be denied the pension benefits they have earned. I support steps to strengthen defined benefit pensions and hold employers accountable for keeping their word.

While younger workers may like the mobility of cash-balance plans, these pensions penalize older workers. We cannot allow companies to switch out of defined-benefit plans, in order to deny long-term workers their pensions. We need to protect these workers and ensure they do not lose retirement benefits. I will also ensure that executives do not walk away with millions while companies are going bankrupt.

I have proposed a series of initiatives to help millions of families realize financial security and retire with dignity. These initiatives include: creating new tax credits to match the savings of low and middle-income families up to dollar for dollar and offering free savings accounts to the nearly 28 million Americans without them so they have a way to save and avoid exorbitant check-cashing fees. There are several other concrete steps I support to increase financial security for retired workers, like treating public workers fairly, protecting the integrity of our capital markets and strengthening Medicare.

Corporate CEOs get pensions, and deferred compensation, and stock options -- and they get Social Security too. But somehow, when it comes to public employees -- the government says you can't get both your pension and Social Security. It's time we repealed the both the government pension offset and the windfall elimination provisions within Social Security. When I was in the Senate, I co-sponsored legislation that would have done just that.

Working families participate in pension plans and other retirement savings vehicles with trillions of dollars invested in publicly-traded stocks and bonds, as well as loosely-regulated private hedge funds. We need to maintain and strengthen our securities laws to increase transparency and corporate responsibility.

We need to build One America where CEOs and people born to tremendous wealth are not the only ones for whom a secure retirement is guaranteed. Social Security now keeps nearly all senior citizens out of poverty, but we need to set our sights higher -- where every American can retire not just out of poverty, but with dignity. That means developing policies that provide a security net that hangs several rungs above today's safety net.

Conclusion

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

Candidate Response:

I am running for president to make sure all Americans have the same kinds of opportunities that I have had. No matter where you live, no matter how much money your family has, no matter what the color of your skin is, in America you should have the opportunity to work hard and get ahead.

I grew up in a small town in rural North Carolina, but I had incredible opportunities all my life. I was blessed to go to good public schools and be the first person in my family to go to college.

For my whole career, I have fought for ordinary working families against powerful special interests. As a lawyer, I stood with kids and families against big insurance companies. Since I entered public service, I have stood up for the working people whose labor made this country great. As president, I will continue to fight for good jobs, stronger unions, universal health care, and the other building blocks of the middle class.

Responses or questions pertaining to the Candidate Questionnaire should be addressed to:

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