

**NATIONAL COMMITTEE TO PRESERVE
SOCIAL SECURITY AND MEDICARE**

2008 Presidential Candidate Questionnaire

Candidate Name: Hillary Rodham Clinton

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 longterm 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:

I believe that Social Security is a solemn promise to our seniors, and I am committed to keeping that promise. I am proud to have fought President Bush's attempt to privatize Social Security. In my administration, privatization will be a complete non-starter. Social Security is the single greatest domestic program in our country's history, and we have to protect it.

I have a clear, straightforward plan to keep Social Security strong for future generations. First, I will restore fiscal responsibility in Washington. That will give us the kinds of options we had in the late 1990s, when we had a plan to keep Social Security solvent until 2055. Second, I will address the long-term challenges facing Social Security through a bipartisan process. As part of that process we should consider a range of options to strengthen the program without hurting seniors or middle-class families.

Finally, I believe we need to look beyond fixing Social Security to tackle the crisis of poor retirement savings in this country. That is why I proposed an American Retirement Accounts Plan that would give tens of millions of families a matching tax cut of up to \$1,000 to help them save for retirement outside Social Security.

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:

When I am President, I will work to close the “doughnut hole” in the Medicare prescription drug benefit program and I will fight to get drug costs under control. I will build on the work I have done in the Senate to ensure that all Medicare beneficiaries receive the assistance they need and deserve. As President, I will let Medicare negotiate for lower drug prices, allow certain drugs to be imported into the country, and remove barriers to generic competition. In addition, I will crack down on the overpayments in Medicare to private plans, saving \$10 billion annually. Independent study after study has concluded that the current policy is overpaying participating managed care plans, which reduces Medicare Trust Fund solvency and raises premiums for Medicare beneficiaries. I will also work to make Medicare and Medicaid reimbursements fair. We need qualified doctors in all communities throughout our country, and it is a problem that some places, especially rural areas, are penalized by the current Medicare and Medicaid payment system. When I am President, I will work to create a system that is fair and ensures that all Americans receive quality care.

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.

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

Candidate Response:

I oppose President Bush's efforts to undermine the core social insurance function of Medicare by pushing a privatization agenda. I oppose the Bush administration's efforts to create Health Savings Accounts for Medicare beneficiaries. And I have a specific plan to level the playing field between private plans and the traditional fee-for-service Medicare program. In addition, we need to reign in the excess profits to drug companies that flow from the flaws in the prescription drug benefit. That's why I would let Medicare to negotiate for lower prices, allow re-importation, and remove barriers to generic competition.

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:

Medicare's biggest challenge is rising health care costs. The Congressional Budget Office reported recently that we've largely "misdiagnosed" our fiscal problems by focusing on the demographics of the baby boom retirement rather than on health care costs. If health care costs continue to grow at their current rates, federal spending in Medicare and Medicaid will more than quadruple by 2050. But if we hold health care costs down, the impact of our aging population alone on these programs will be far more manageable.

That's why I have proposed a plan to provide quality, affordable health care to all Americans that will also reduce costs throughout our health care system. Insuring everyone – providing them with preventive services, care management, and quality acute care throughout their lives – is not just the right thing to do, but is essential for lowering costs and reducing the long-term burden on Medicare. Universal coverage will reduce the "hidden tax" imposed when costs are

shifted from the uninsured to those with insurance – which, according to one estimate, amounts to \$922 per family premium.

A key component of my goal to provide universal health care is to cut costs throughout our entire health care system, which will make health care more affordable for all Americans. I laid out my health care agenda in three steps – addressing cost, quality, and coverage. I started with cost because all Americans are struggling with high health care costs. I proposed that we focus on comprehensive preventive care, which will keep our costs down in the long run and improve Americans' quality of life. In addition, I believe that we must coordinate and streamline care for people with chronic illnesses, which accounts for 75 percent of health care costs. Under my health care plan, individuals and small businesses will have market access to larger insurance pools that will lower costs, and insurance companies will be prohibited from discriminating against people with pre-existing conditions. I also proposed that we modernize our health care system, by using electronic medical records and other health information technology to make our health care system more efficient and less costly.

Finally, as we work to reduce health care costs and strengthen Medicare's long-term finances, we should focus on the overall fiscal health of Medicare, and not artificial distinctions about the share of financing derived from general revenues.

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:

I believe we can achieve big goals in this country while restoring our commitment to fiscal responsibility. When I am President, I will move toward balanced budgets. That is why I have been very clear throughout my campaign to explain how I would pay for every new initiative I announce without increasing the deficit.

We need to turn the page on the Bush administration's fiscal recklessness. Over the past seven years, we have witnessed the most dramatic fiscal deterioration in our nation's history – turning trillions in projected surpluses into deficits as far as the eye can see. Now, we're borrowing more and more from foreign countries like China, our national debt is three times higher than even the Bush administration itself projected, and we're leaving our children and grandchildren to pay the bill.

I want America back in control of our fiscal destiny. It will take hard work and tough choices, but I am confident that we can put America back on a path to balanced budgets. I remember – and many Americans might, too – that we began the 1990s with record deficits but we ended the

decade with \$5.6 trillion in projected 10-year surpluses, 22 million new jobs, and average family income gains of more than \$8,000.

Medicaid and Long-Term Care

Because of the high cost of long-term care and because most people do not have longterm 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:

Addressing our nation's long-term care crisis will be a central priority of my administration. That is why I have laid out a comprehensive long-term care agenda that will reward and support care giving, ensure that seniors can receive care where they need it including in their homes and communities, and improve the quality of care at our nation's long-term care facilities.

Today, 90 percent of all long-term care received is informal, primarily provided by spouses and adult children – overall, as many as 52 million Americans are informal, unpaid caregivers. To ease the financial burden on these families, I have proposed a new \$3,000 Caregiving Tax Credit. I will also invest more than \$300 million a year in state efforts to support unpaid family members – I will fully fund the Lifespan Respite Caregiver Act at about \$60 million per year and double funding for the National Family Caregiver Support Program to \$250 million per year. And I will allow more seniors to access long-term care services where and when they need it, including in their homes, by ending the institutional bias in Medicaid.

I believe that we need to do more to ensure that long-term care insurance provides real security and support. Therefore, I will take aggressive steps to increase consumer protections for long-term care insurance policies, alongside efforts to increase the affordability and access to quality long-term care insurance. I will provide a new Long-Term Care Insurance Tax Credit to cover up to 75 percent of qualified insurance plan premiums. This will make secure insurance plans far more affordable for middle class families. I will also allow all Americans to purchase the same secure long-term care insurance policies available to members of Congress.

And I will commit to improving the quality of our country's nursing homes. It is unacceptable that, in 2006, nearly one in every five nursing homes that received federal funds was cited for serious deficiencies in care. When I am President, I will triple federal support for nursing home ombudsmen programs, which are crucial to combating fraud and abuse in the long-term care industry; direct the Department of Justice and the Federal Trade Commission to assist state consumer advocates and prosecutors to tackle persistent abuses and new challenges in the industry; reverse the inexcusable policy of the Centers of Medicare and Medicaid Services of

withholding information about poor-performing nursing homes and provide seniors full access to data on nursing homes; and strengthen our nursing and direct-care workforce with a national system of background checks for long-term care workers and a \$125 million investment in Workforce Investment Programs.

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:

First, I am firmly committed to maintaining Social Security's guaranteed risk-free benefit structure. But in addition to Social Security, we need to address the growing retirement savings crisis our country faces. That means protecting the defined benefit plans that provide secure retirement benefits for tens of millions of workers, and making sure that employers can never use bankruptcy as an excuse to shed pension obligations to their workers

And it means addressing the fact that more than 75 million workers each year have no employer-sponsored pension at all, including 77 percent of small business employees; 77 percent of part time workers; 73 percent of Hispanics; 59 percent of women; and 56 percent of African Americans. I believe we need to take on our retirement savings crisis by giving all Americans an opportunity to save and build wealth for retirement that is easy, secure, and generous. I have proposed an ambitious American Retirement Accounts Plan that will give that chance to the tens of millions of Americans who are currently falling through the cracks while reducing wealth inequality, increasing national savings, and encouraging economic growth. Under the plan, working and middle-class families who currently have the hardest time saving will receive matching tax cuts of up to \$1,000 as an incentive to save. And all Americans will get to open new American Retirement Accounts that will be designed to provide no-hassle, portable savings throughout their careers.

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 have worked to create change in our country for 35 years, advocating on behalf of all Americans. Fighting for seniors has always been something to which I have been committed, and when I am President, I will build on my record to improve the quality of life all seniors. I strongly believe that we owe it to our seniors and our aging workers to ensure that they can live and retire in dignity.

I have fought against privatizing Social Security for decades. While working to protect Social Security as First Lady, I focused on the program's benefits to women. The current Social Security system is progressive and assists women and families by indexing benefits to those who earn less. Women especially would be disadvantaged by a privatized system because they would have lower annual account deposits and would likely lose the advantage of spousal benefits. Throughout my career in the Senate, I have fought to safeguard the retirement plans of hard-working Americans. But that's not all. I am a member of the Senate Aging Committee, which continually reviews Medicare's performance and also regularly reviews pension coverage and employment opportunities for older Americans. The committee has conducted oversight of major programs like Social Security and has crusaded against fraud targeting the elderly and federal programs on which the elderly depend.

I also have a long history of working to improve the health care services seniors receive. I am a proud sponsor of the Positive Aging Act, which is designed to make mental health services for older adults an integral part of primary care services in community settings and to extend them to other settings where seniors reside and receive services. I co-chair the Congressional Alzheimer's Task Force, which educates Congress and the public about the disease, encourages increased research funding, and fosters bipartisan discussion regarding public policies to help people with Alzheimer's disease and their families. In addition, I have co-sponsored the Alzheimer's Family Assistance Act and the Alzheimer's Breakthrough Act. I am a strong supporter of the Geriatric Assessment and Chronic Care Coordination Act and the Lifespan Respite Care Act. And my American Health Choices Plan will lower the cost of prescription drugs; provide coordinated care for the chronically ill, which is important because many seniors have multiple illnesses; and invest in health-care professionals so that our society is prepared for the growing number of seniors in the United States. And under my health care plan, Medicare will remain exactly as it is, but seniors will have higher quality health care at a lower cost.

I have also worked to expand opportunities for seniors to actively participate in their communities, benefit from flexible work arrangements, and engage in life-long learning opportunities. I have proposed the Non-Traditional Student Success Act, which would expand access to college for working adults and those who go back to school later in life. I also helped to create the Transition to Teaching program, which helps mid-career and other older individuals enter the teaching field. And I am a strong support of Senior Corps and Experience Corps. As President, I will work every day to improve the lives of seniors throughout our country.

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

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