



Leadership Council of Aging Organizations

LCAO Presidential Candidates Survey – Barack Obama

Medicare Financing

The number of Americans enrolled in Medicare is projected to double between 2010 and 2030 and spending is expected to rise dramatically over the same time period. While an increase in Medicare participants will certainly contribute to this rise, the Congressional Budget Office cites general health care inflation as the main reason for higher costs.

1) What are your plans to help ensure the future financial stability of Medicare so that it can continue to meet the needs of our increasing Medicare beneficiary population?

As the Congressional Budget Office has reported, the growth in Medicare expenditures is tied to the overall growth in health care costs in our nation. In order to strengthen Medicare, I believe that we must both tackle health care spending across our economy, which includes placing more focus on prevention and chronic care management, as well as eliminate wasteful spending in the Medicare program, including in the Medicare Advantage program.

As president, I will sign a universal health care bill by the end of my first term. My plan will lower costs for the typical family by \$2,500, cover the uninsured and lower costs to families and businesses. I will allow people who do not have access to group coverage through their employers or public programs (such as Medicaid, SCHIP, and Medicare) to buy into a national pool, which will offer a new public plan similar to the one I have as a member of Congress. My plan will also allow people to buy private plans that offer comprehensive benefits and meet quality standards. Federal subsidies will be made available to those who need it to make coverage more affordable. And employers will have access to reinsurance to protect them from volatile and high increases in the cost of insurance. Finally, my plan will mandate health insurance coverage for every child in America.

I will go after runaway health care costs by investing in information technology, focusing on preventive care, improving chronic disease management, increasing health care quality, reducing medical errors, and stopping price-gouging by drug and insurance companies. I have also proposed to cut subsidies provided by the Medicare Advantage program by as much as \$150 billion over the next decade. Together, these changes would mean a reduction in premiums of up to \$2,500 dollars a year for the average family, and would also save significant amounts of money for the Medicare program. The focus on prevention and chronic disease management will also ensure that retired and working Americans alike will benefit from improved health outcomes.

I believe that ultimately we are not short on ideas to address the problem, but what we have lacked is consensus and political will. Solving our health care crisis depends on transforming our politics, which is what I will do as president.

Medicare and Health Care Reform

While attempting to make health care coverage more affordable for average Americans, health care reform plans rarely address the need to improve Medicare for beneficiaries. Medicare still has significant gaps in coverage. The benefits package needs to be upgraded.

2) How do the Medicare program and older Americans fit into your health care reform plan and could Medicare be a model to expand coverage to other Americans?

As I work to systematically reform our national health care system, I will ensure that my investments in information technology, preventive care, chronic disease management, and overall health care quality are replicated throughout the Medicare program to strengthen the quality of care for older Americans. I will also re-invest savings from cutting wasteful Medicare spending, such as the Medicare Advantage program, and reducing prescription drug costs into further improving the health care outcomes of older Americans.

I will analyze and seek to replicate the successes of the Medicare program in my new public health care plan and my National Health Insurance Exchange to ensure that Americans under the age of 65 have access to the highest-quality care available as well.

Medicare Part D Prescription Drug Benefit

The current Medicare prescription drug benefit has several deficiencies (the “doughnut hole,” challenges of delivering the benefit and subsidies to low-income beneficiaries, high prescription drug costs) that need to be addressed in order for all beneficiaries to be able to access their needed medicines at an affordable price.

3) What are your plans for improving the Part D prescription drug benefit?

I strongly believe that rising prescription drug prices must be tackled, and that seniors who participate in the Medicare program should have access to affordable and safe prescription drug benefits. That's why I support closing the so-called doughnut hole in Medicare prescription drug benefit program, and work to ensure that every senior receives an annual prescription drug report that details their prescription drug spending and outlines options for reducing annual spending on prescription drugs by switching to a new plan.

As president, I will also employ a three-tiered strategy to reduce the rising costs of prescription drugs for beneficiaries, all of which will impact the Medicare prescription drug benefit. First, I will support legislation permitting Medicare to negotiate prices for prescription drugs. I will repeal the ban on direct negotiation with drug companies and use the resulting savings, which could be as high as \$30 billion, to further invest in improving health care coverage and quality.

Second, I support drug reimportation. Pharmaceutical companies should profit when their research and development results in a groundbreaking new drug. But some companies are exploiting Americans by dramatically overcharging U.S. consumers. These companies are selling many of the exact same drugs in Europe and Canada for less than half the price that they charge Americans. I will

allow Americans to buy their medicines from other developed countries if the drugs are safe and prices are lower outside the United States.

Third, I will encourage the increased use and development of generic alternatives. Some drug manufacturers are explicitly paying generic drug makers not to enter the market so that they can preserve their monopolies and charge Americans exorbitant prices for brand name products. My health care plan will ensure that market power does not lead to higher prices for consumers. My plan will increase the use of generic drugs in Medicare, Medicaid, my new public insurance plan, and the Federal Employees Health Benefit Plan, and it will prohibit large drug companies from keeping generics out of the marketplace.

Long Term Care

The aging of the population will create a growing need for long-term care services and a preference for service delivery in the least restrictive settings possible. Families, individuals and states all have important roles to play in this area, but long-term care financing is a national problem that will be difficult to solve without a comprehensive national policy. According to a recent survey by the Mellman Group and Public Opinion Strategies (August, 2007), nearly 8 in 10 respondents said long term care should be included in the health care reform proposals of the 2008 presidential candidates.

4) How would you address the growing need for long-term care services in terms of financing and policies that complement and embrace the core values of Medicare and Social Security and provide needed support for family caregivers?

As president, I will work to reform the financing of long-term care, to protect those who need care from impoverishment or debt, and to improve the quality of long-term care to fulfill the covenant we have made with America's seniors and their families. Long-term care is becoming increasingly important to American families, with the number of seniors needing long-term care assistance expected to jump by a third in just five years to approximately 12 million seniors. Meanwhile, nearly 40 percent of long-term care recipients are adults under the age of 65.

Part of financing and quality reform is working to give seniors and adults choices that are consistent with their genuine needs, and not biased towards institutional care. While progress has been made, the long-term care system remains heavily biased towards the use of nursing homes even though most people would rather remain at home. At the same time, nursing home and home care are expensive, and federal coverage for both is limited, making high expenses routine for individuals and their families.

I will honor and support the family members who take care of their elders by enacting protections against caregiver discrimination and expanding the Family and Medical Leave Act (FMLA) to cover elder and family care.

5) How would you improve the quality of life and quality of care for people in nursing homes and what would you do to ensure that a sufficient number of direct care workers are recruited and retained across the long-term care continuum?

I will work to improve the quality of long-term care by systematically addressing its problems – and I will start by ensuring that our long-term and geriatric care workforce the respect and support they deserve. I also support training more nurses and health care workers in geriatrics, working to improve the overall training of all long-term care workers at every level, and, in particular, focusing on the issue of helping to better understand and manage pain.

I understand that the long-term care industry has lagged in its use of electronic health records, and I will make sure that nursing homes, like hospitals, take advantage of technology tools that can improve efficiency, reduce administrative overhead and strengthen the quality of care for all long-term care consumers.

6) What would you do to ensure the financial sustainability of Medicaid and make certain that Medicaid participants receive high quality, comprehensive services in the least restrictive settings possible?

I believe that the federal government should support state-level reform efforts to constrain Medicaid costs and implement innovative measures to improve care. These include negotiating for lower drug prices, implementing disease management and other quality improvement initiatives, and offering greater support for community-based, long-term care services. These efforts will strengthen the Medicaid program over time, and can be combined with other elements of my national health care plan to ensure that the long-term care system is one that American families can trust to be there for them in their time of need.

Social Security

Social Security has provided American families with reliable income-protection for over 70 years. It continues to be financially sound – taking in far more revenue than it needs to pay benefits. After 2041, however, the Social Security trustees project a 25% shortfall and many suggestions have been made for shoring up the system over the long term.

7) Do you support or oppose the following changes to Social Security?

- diverting all or a portion of payroll taxes to individual accounts
- raising the early or the normal retirement age
- increasing or eliminating the cap on taxable wages
- means testing benefits

Please elaborate and include any other changes you support.

As someone who was largely raised by my grandparents, I recognize that Social Security is indispensable to workers and seniors, and it is probably the most important and most successful programs that our country has ever created. Tens of millions of seniors and their families have been

lifted out of poverty because of Social Security, and two-thirds of beneficiaries depend on Social Security for more than half of their income. I remain committed to making sure Social Security is solvent and viable for the American people, now and in the future.

The underlying Social Security system remains strong, but the projected long-term cash flow of the program needs to be addressed. This is a real but manageable problem. But the longer we wait to solve the problem, the bigger it grows.

I will be honest with the American people about the long-term solvency of Social Security and the ways we can fix the problem. There are a number of ways to extend the Social Security trust fund, and I will come to the table with an open mind and listen to all those options. But I believe that benefits should not be cut, the retirement age should not be raised, but instead the wealthiest should pay a little bit more through a raise in the payroll tax ceiling to ensure that the most successful social program in history stays strong. I also believe that privatization of Social Security, which I have long opposed, is not a valid option for us to consider because it tears the fabric of Social Security – the idea of mutual responsibility – by subjecting a secure retirement to the whims of the market, and that is not an acceptable way to strengthen this program.

Supplemental Security Income (SSI)

The Supplemental Security Income (SSI) program provides a basic safety net for 7.3 million needy elderly, blind and disabled persons. Benefits, however, have remained unchanged for years, along with income caps and asset limits for determining eligibility.

8) Do you think SSI needs improvements in order to provide a sufficient level of basic income for the neediest elderly? If so, what would you propose?

I believe that the SSI program must be bolstered to fulfill its critical mission to support those in our society who do not have the resources or ability to care for themselves on their own. As president, I will first tackle the delays in benefit determinations. The Social Security Administration (SSA) has been consistently underfunded, resulting in unconscionable delays for individuals applying for the Social Security Supplement Security Income (SSI) program. I am committed to both increasing SSI administrative funding and streamlining the current application and appeals procedures to reduce the confusion that surrounds this important program.

Pensions and Retirement Savings Plans

Ideally, retirement security is based on Social Security, a traditional pension and personal savings. Unfortunately, a growing percentage of the workforce lacks a traditional defined benefit pension plan or any other workplace vehicle for retirement savings. Those who do have good retirement benefits find them at risk. Increasingly, companies view bankruptcy as a way to avoid retirement obligations and even healthy companies are freezing well-funded plans and closing them to new hires.

9) What do you believe the federal government can do to extend pensions and retirement savings plans to more workers and/or workplaces? How would you protect the interests of retirees whose benefits are diminished due to corporate bankruptcy?

As president, I will establish an automatic workplace pension to help the 75 million Americans who lack an employer-based retirement plan. Every worker will be able to get a retirement account, decide how much to contribute, and transfer that account to different jobs. Employees may opt-out by signing a written waiver. Experts estimate that this program will increase the participation rate for low and middle income workers from its current 15 percent level to around 80 percent. I will also expand the existing Savers Credit to match 50 percent of the first \$1,000 of savings for families that earn under \$75,000, and I will make the tax credit refundable. 75 percent of people who are expected to participate in this program do not currently save.

To help retirees and workers who have a defined-benefit pension plan, I will build off of my work in the Senate to ensure private companies properly fund their pension plans. I will protect workers and retirees by making it harder for corporations to cut jobs, wages and benefits in bankruptcy court. I will also ensure that all employees who have company pensions receive annual disclosures detailing their pension fund's investments. This measure will provide employees and retirees important resources to make their pension fund more secure.

Older Americans Act

The Older Americans Act (OAA) is the backbone of services to America's aging population, helping seniors to stay healthy, independent, and in their communities. It covers a wide range of programs that include home-delivered and congregate meals, senior centers, ombudsmen, in-home services for frail elderly, family-caregiver support, health promotion, grant programs for Native Americans and community-service employment for low-income seniors. For years OAA funding has not kept pace with inflation or the growing number of seniors who need its services.

10) What will you do to ensure that these essential OAA programs receive substantial increases in appropriations?

I have been an active supporter of Senate efforts to increase funding for the Older Americans Act and the vital services it provides to our nation's seniors. I have advocated for at least a 10 percent increase in funding for OAA programs, and as president, I will continue to support increasing funding for the OAA.

Older Workers and Civic Engagement

Tens of millions of healthy, educated Americans will retire over the next two decades. Our nation could benefit greatly if that cohort is enabled to use its talents and resources to serve communities and address unmet needs. Unfortunately, there are few structures in place to foster such civic engagement in later life and to organize this valuable resource.

At the same time, millions of other older Americans will want to remain in the workforce, but will face employment barriers that push them into unwanted retirement because employers often lack the flexibility to incorporate older workers.

11) What policies and legislation will you propose to expand workplace flexibility and support civic engagement opportunities for seniors?

As president, I will ensure that seniors have meaningful volunteer opportunities through expanding and improving the Senior Corps program, which matches individuals over the age 55 to local service opportunities. I will also work to provide additional income security, including assistance with retirement and family-related costs, and continuation of health care coverage, for people who participate in citizen service. As president, I am also committed to investing in our nation's universities and community colleges to ensure that they remain open to individuals of all ages. Finally, I will work to improve workplace flexibility by taking steps to end age discrimination in the workplace, including strengthening the Age Discrimination in Employment Act and giving the Equal Employment Opportunity Commission the resources to prevent all forms of job discrimination. I will also guarantee seven paid sick days for workers and expand the Family and Medical Leave Act to cover more purposes.

Senior Housing

There is no comprehensive national policy to address the affordable housing needs of low-income seniors. An estimated 7.4 million seniors pay more than they can afford for housing and at least ten wait for every unit of affordable housing under the Section 202 program.

12) What is your vision for a national strategy for addressing the affordable housing needs of seniors throughout the country?

In the U.S. Senate, I have supported greater funding for nonprofit programs that provide affordable housing to senior citizens. I have worked with Senator Debbie Stabenow (D-MI) to increase funding for housing for grandparents who are raising their grandchildren. As president, I will build off of those efforts to ensure that seniors have access to safe and affordable housing options. I will create an Affordable Housing Trust Fund to develop affordable housing in mixed-income neighborhoods. The Affordable Housing Trust Fund would use a small percentage of the profits of two government-sponsored housing agencies, Fannie Mae and Freddie Mac, to create thousands of new units of affordable housing every year.

Energy Costs

Rising energy costs are also a problem. The Low Income Home Energy Assistance Program, or LIHEAP, provides heating and cooling assistance for households with incomes below 150% of the federal poverty level. Although the danger that elderly citizens face when they can't heat their homes is well known, LIHEAP is under-funded year after year and many eligible seniors receive little or no assistance.

13) What will your administration do to improve the availability of LIHEAP benefits for vulnerable low-income and elderly citizens and to better respond to seasonal spikes in energy costs that hit older Americans on fixed incomes particularly hard?

I have been a strong supporter of increased funding for the Low Income Home Energy Assistance Program (LIHEAP) which helps low-income citizens pay their winter heating and summer cooling bills. To help families affected by high energy prices today, I am original cosponsor and advocate of the *Keep Americans Warm Act of 2007*, which would provide \$1 billion in emergency LIHEAP funding to families today.

I also believe that we should pay for an expansion of LIHEAP by implementing a windfall profits tax on the oil and gas industry, which has experienced record profits as consumer energy prices have skyrocketed the past few years. As president, I will also use a portion of the proceeds from my cap-and-trade climate change initiative to ensure low-income families receive proper assistance to pay their heating and cooling bills.

Transportation

Access to transportation is essential for older adults who want to remain independent. Those who live in suburban or rural communities are at a serious disadvantage because their communities lack reliable public transit systems and private transportation is prohibitively expensive. The result is often increasing isolation and deterioration in health and quality of life.

14) What are your goals and policies for enhancing availability of community senior transportation options? How will you improve coordination efforts between the federal agencies responsible for health, human services and transportation programs?

I have spent years working to improve transportation access for low-income Americans. As an Illinois state senator, I was the chief sponsor of the bill that created the Interagency Coordinating Committee on Transportation, a body that was charged with building public-private partnerships to help improve transportation options for low-income Americans. As president, I will work to eliminate transportation disparities so that all Americans can lead meaningful and productive lives. I will ensure that additional federal public transportation dollars flow to the highest-need communities and populations, including seniors, and that planning initiatives take this aspect of transportation policy into account. I will strengthen funding for the Older Americans Act and its important transportation initiatives, as well as work with senior advocates, my federal agency heads across federal departments and local officials to ensure that federal funding for senior transportation programs is being spent in an effective manner.

Tax Cuts and Fiscal Responsibility

Tax cuts enacted since January 2001, many of which primarily benefit the richest people in the nation, will cost about \$300 billion this year and result in a current-year deficit of \$158 billion and a

\$9 trillion gross federal debt. Such enormous deficits threaten the availability of resources for programs serving America's seniors, just as the baby boomers are retiring.

15) Please describe your policies on tax cuts, as well as any policies that address our mounting federal debt and the ability of our nation to fund the critical objectives described in this document.

I am committed to restoring fiscal discipline and reforming our current budget and tax system. The most important first step we can take on that path is to restore pay-as-you-go (PAYGO) spending rules so that we do not dig ourselves into deeper debt. My priorities will not increase the deficit. I will pay for each of the investments I call for by either cutting other spending or finding new revenue sources. If in the end I can't find enough offsets to fund all of my priorities, I will prioritize them. I will create new tax cuts for the middle class, but I will repeal the unnecessary tax cuts for oil and gas companies and for the wealthiest Americans.

My tax fairness plan provides a new \$500 "Making Work Pay" tax credit to 150 million low and middle-income working Americans. And to help low and moderate-income seniors who won't benefit from this workers' tax cut, I will also eliminate income taxes for seniors making less than \$50,000 per year. I will also create a universal mortgage interest tax credit to provide 10 million homeowners a break of 10 percent of their mortgage interest rate. The vast majority of recipients of this tax credit make under \$50,000 per year.

To help low and middle-income parents and children, I will also create a new American Opportunity Tax Credit to provide families with an annual \$4,000 college tax credit to pay for college tuition. And I will allow more working families to benefit from the Child and Dependent Care Tax Credit by making it refundable and allowing low-income families to receive up to a 50 percent credit for their child care expenses.

To pay for my investments in America's middle class, I will also end the abuse of wasteful, no-bid contracts outsourcing critical government services to friends and supporters who are more connected than they are qualified. I will prohibit no-bid federal contracts above \$25,000 unless the contracting official provides clear, written reasoning as to why the contract should be awarded on a no-bid basis. I will also go after international tax evasion to ensure that wealthy Americans and corporations are paying their legal and fair share of taxes.

I will end wasteful federal spending. I will work to end federal subsidies to wealthy corporations such as oil and gas companies, the private sector student loan industry that favors banks over students, and the private sector Medicare reimbursement program.

And finally, I will make revenue-neutral investments in our economy, paid for by other spending cuts or revenue increases, to control spiraling health care, infrastructure housing and energy costs -- over the next few years and decades, these investments will help grow the American economy and reduce federal spending in the future.

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