

Source: Marquette University Libraries; Tommy G. Thompson Collection; Series 9-2:
Health and Human Services (HHS) Speeches

REMARKS BY: TOMMY G. THOMPSON, SECRETARY OF HEALTH AND HUMAN SERVICES
PLACE: Washington, D.C.
DATE: August 27, 2002

"Expanding Coverage for Senior: The New PPO Option"

Good morning, everyone, and thank you so very much for coming. And welcome to our guests here with us today: Tom Scully, Administrator of the Centers for Medicare and Medicaid Services; Rita and Jack Beerman, who came down from New Jersey; and Flora "Grandma" Green, who is one of America's most outspoken advocates for Medicare.

Also with us are John Powell of the Seniors Coalition and Howard Bedlin from the National Council on the Aging; they are seated in the front row. John and Howard, please stand up. Thank you for being with us this morning and for providing your support.

I am so very pleased to be here with all of you as we have an exciting announcement to share. As many of you know, I abhor the status quo. As Will Rogers said, "Even if you're on the right track, you'll get run over if you just sit there."

My friends, I'm here today because this Administration is not just sitting there ... we're moving forward to help older Americans all over our great country.

Our announcement today is about making changes to meet the undeniable challenges confronting our Medicare system and the seniors who depend on it.

We all know that America has the finest health care system in the world, but we also know that it isn't perfect. In spite of its overall quality, there are problems - big ones - with some aspects of the way we provide care. So, I'm here today to announce how we are going to address one of them - not enough choices in our Medicare program for America's seniors.

Most people in America are in Preferred Provider Organizations. It is the fastest growing, most dominant and, most importantly, the most preferred health plan for the under-65 health care market.

But it is not a choice available to Medicare recipients. That is, until today. That's why I'm so pleased to announce that the Bush Administration has approved a pilot project through CMS that will make PPOs available to millions of America's seniors. A total of 33 new health plans ... in 23 states ... will begin to serve Medicare recipients in January.

The new plan is part of a demonstration program modeled after the PPO coverage available to the vast majority of Americans under age 65. Currently 79 million Americans under 65 are enrolled in a PPO plan. That's nearly 46 percent of all Americans with health care making PPOs the largest type of health plan in America. If this is so popular with Americans under 65 we should provide the same choice for our seniors.

Our new program will reach 11 million potential enrollees out of the 40 million who participate in Medicare.

Source: Marquette University Libraries; Tommy G. Thompson Collection; Series 9-2:
Health and Human Services (HHS) Speeches

No one can dispute that seniors are one of the most vulnerable populations in the country. Yet too often, their coverage under Medicare is much too restrictive. So, this demonstration program will give seniors new options for their Medicare coverage similar to those available in the private insurance market.

This is especially important, since many Baby Boomers reaching 65 will have spent years in PPOs and become accustomed to the benefits and tremendous access provided by PPOs. PPOs are the avenue through which a majority of Americans gain access to family physicians ... specialists ... pharmaceutical care ... hospital treatment ... surgery ... and virtually every other form of professional medical service.

Greater access and more choices in health care are fundamental goals of the Administration's comprehensive plan to improve and strengthen Medicare.

President Bush and I are committed to giving seniors new and better benefit options as well as access to affordable prescription drugs. Our plan will do exactly that for many more seniors throughout the country.

I'd be remiss if I didn't mention that while the House of Representatives has taken an important first step toward integrating this proposal into its plan to modernize Medicare, we are still waiting for the Senate to act.

And I should also tell you that we are continuing to work with states to take administrative action to reach out to cover the uninsured ... and, in doing so, we have adopted the same philosophy with Medicare. We will continue to take whatever actions we can to help strengthen Medicare and expand the choices of America's seniors. We would like Congress to join with us ... but we'll take the administrative actions we can as we wait for Congress to act.

We're expecting many Medicare recipients to choose the PPO option as a way to obtain prescription drug coverage and as an alternative to supplemental insurance plans, which often do not cover drugs. And often, even when supplemental plans do offer drug coverage, they can be prohibitively expensive for many seniors.

To be clear, let me underscore that the demonstration plans will be considered Medicare+Choice plans. They will have to offer all of Medicare's required benefits, but will also have the flexibility to offer greater access to drug benefits and disease management services. Most important, they will offer recipients a wider choice of health care providers than is currently offered in HMOs.

My friends, the time for waiting is long since past. While Congress debates, this Administration is taking bold, innovative and effective action. We're giving seniors more choices in health care. We will continue to use the flexibility we have administratively to give more options to more seniors, including better drug coverage.

Thank you again so very much. And now I would like to bring up Tom Scully who

Source: Marquette University Libraries; Tommy G. Thompson Collection; Series 9-2:
Health and Human Services (HHS) Speeches

will provide us with a little more detail about the program.