

News from Senator

BOB DOLE



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DOLE ON MEDICARE TRUST FUND CRISIS:

"LET'S START DISCUSSIONS NOW"

WASHINGTON--"The Congressional Budget Office (CBO) information cited in yesterday's New York Times claiming that Medicare will be broke in 1989 should come as no surprise to anyone," today said Senate Finance Committee Chairman Bob Dole (R.-Kan.). "Many of us have for some time warned that the financial problems facing the Medicare program were immense and would have to be addressed in the very near future. This new information is simply another early warning signal that we had best start our discussions now."

The news story referred to a recently released CBO report of the Medicare trust fund which indicates that the trust fund will run dry in 1987 or 1988. Medicare serves 26 million elderly Americans, and falls under the jurisdiction of the Senate Finance Committee.

"Despite program reductions in 1981 and 1982, Medicare outlays are projected to grow rapidly in future years. These increasing outlays are a problem for not only the federal budget as a whole, but also for the solvency of the Medicare Health Insurance trust fund," said Dole.

"Interfund borrowing from the Health Insurance fund by the Social Security cash program is not the villain. The real problem is the continued, and increasing rate of increase in expenditures by the program, particularly for hospital care. Complicating this, of course, is the growing number of beneficiaries dependent on the program," said Dole.

"We have an obligation to protect medicare, just as we must protect Social Security. Faced with insolvency, we have an obligation to make sure that now, and in the future, benefits will remain available to every American that needs and expects them."

"The solutions will be no easier than they were for the President's Commission on Social Security Reform, but they must be sought out. Cooperation from the health care industry, from nurses, physicians, hospital administrators, and all others who provide care, will be critical to these efforts," concluded Senator Dole.