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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed H.R. 13501, the "Medicare Extension Amendments." Although this bill would, for the most part, simply extend certain technical provisions of the Medicare law, other portions of the bill will increase Medicare payments for physicians' services above the level recommended in my budget without meeting the urgent needs of Medicare beneficiaries and taxpayers. These deficiencies in Medicare benefits can be corrected if the Congress will promptly consider and enact the needed reforms proposed in my "Medicare Improvements of 1976" which was submitted in February.

My proposal would provide catastrophic protection against large medical bills for all of the 25 million aged and disabled who are insured by the Medicare program. These beneficiaries would be entitled to unlimited hospital and nursing home care and would not have to pay any costs above \$500 per year for hospital and nursing home care and \$250 per year for doctors' fees. This catastrophic protection would reduce payments for hospital or physician services for 3 million persons in 1977. The comprehensive reforms in the "Medicare Improvements of 1976" also include moderate cost-sharing to encourage economical use of services, and a limit on Federal reimbursements for hospital and physician services in order to help control health cost inflation. In total, my proposal would improve insurance against really large medical bills while also saving the taxpayers \$1.5 billion in fiscal year 1977.

The Congress has also recognized the high priority that must be given to economies in the Medicare program. The congressional concurrent budget resolution for fiscal year 1977 calls for \$300 million of net savings in Medicare.

I am keenly sensitive to the burdens borne by some of our elderly and disabled in meeting their medical expenses. I believe we should take positive steps to provide better protection against catastrophic health costs and inflation in health costs.

Once again, therefore, I urge the Congress to turn its attention to meeting the real needs of the aged and of the taxpayer and enact the "Medicare Improvements of 1976" before it adjourns this year.

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