

**"America has a contract with senior citizens. We, as a prosperous society, must honor that contract and ensure that America's senior citizens have a secure retirement. That's why I support a fiscally responsible Medicare Prescription Drug Plan, that's why I oppose privatizing Social Security, and that's why I will fight any attempt to reduce benefits for America's seniors and near retirees."**

**--Congressman Mike Pence**

Prescription Drug Relief for Seniors

Medicare has improved the health and lives of millions of American seniors for more than 35 years. However, when Medicare was enacted, seniors needed fewer prescriptions and most care was delivered in the hospital. Consequently, prescription drugs weren't covered under Medicare. Many of today's seniors therefore lack drug coverage and the bargaining power to reduce the price of drugs.

As is the case with Social Security, the coming decades will usher in the retirement of 77 million baby boomers, resulting in a dramatic drop in the ratio of taxpaying workers to retired benefit recipients. Blend this with a plague of poor governance and Medicare is a cocktail of potential problems. Seniors' access to drug coverage will be compromised by a sluggish regulatory process full of rules, guidelines and paperwork. Real reform is imperative.

Sadly, the Prescription Drug and Medicare Modernization Act passed by Congress in 2003 does not offer real reform. Instead of focusing scarce federal resources on seniors struggling with the cost of prescription drugs, the bill creates the largest new federal entitlement since 1965 and ushers in the beginning of socialized medicine in America.

The creation of a universal drug program is fiscally irresponsible and not necessary for most seniors who already have prescription coverage.

This entitlement will add at least \$3 trillion in new Medicare unfunded liabilities when the United States government is already carrying \$20 trillion in unfunded liabilities in the form of benefits already promised to seniors in Medicare and Social Security.

Further, this entitlement is unnecessary for most seniors, 76 percent of whom already have prescription drug coverage. According to the Congressional Budget Office, under this legislation, more than a third of retired Americans who enjoy coverage from a former employer could lose that coverage.

This type of program, which is built on unrealistic fiscal projections and incorrect assumptions about human behavior, will invariably lead to the kinds of escalating costs for which price controls and outright government management will be inevitable.

Congress should have helped seniors near the poverty level and passed reform that gives Americans the same choices that members of Congress have, instead of creating a massive, new federal entitlement.

It is my hope that Congress will revisit the Medicare Prescription Drug program to offer seniors access to affordable prescription drugs, but at the same time modernize the system to evolve more rapidly when confronted with new medical technologies and advances in health delivery. Only then will Hoosier seniors and future retirees be able to rest easy knowing Medicare will remain solvent for many years to come.

### Protecting Social Security

I believe Social Security is a covenant between the American government and American retirees.

Our nation's senior citizens paid into the Social Security system their whole life with the promise that it would be there for them when they retire. I intend to keep this promise of financial security not only to our current seniors, but also to their children and grandchildren. I do not support privatizing Social Security.

Social Security is a cherished program that has kept millions of Americans out of poverty. With 77 million Americans set to retire as part of the baby boom generation, there simply aren't enough workers to support the growing number of retirees. We can and must do better for our nation's seniors. I have joined other Republicans in Congress in offering a number of personal account proposals that are completely voluntary and wholly safe.

These proposals will:

- Ensure that workers are allowed to earn higher benefits than under current law
- Give workers real ownership of their Social Security
- Enable younger workers to build wealth through voluntary accounts that they can pass along to their families
- Preserve the important disability and survivors components of the program
- Reduce the financial burden on our children and grandchildren

### Health care Reform

When I was first elected to Congress, I pledged to support a Patients' Bill of Rights that would protect not only patients and physicians, but employers and insurers as well. The initial version of this legislation, however, would have been better titled a Lawyer's Right to Bill, as it allowed attorneys to file suit against employers for poor decisions made by insurance companies and health care providers.

Small business owners across east central Indiana told me that the threat of such lawsuits would, in the long run, make it too costly for them to offer health care benefits to their employees. Some estimated that the increased liability for small businesses might cost 30,000 Hoosiers their health insurance. Without private health care options, America would inevitably move down the path toward nationalized health care.

With that in mind, I have supported efforts to:

- Ensure that the right people are held responsible when a patient is denied care or receives poor care
- Expand access to Medical Savings Accounts (MSAs) to reduce the ranks of the uninsured
- Make it easier for small businesses to provide health care for their employees through Association Health Plans (AHPs)

First, Congress should provide patients with redress against any health plan that denies a claim for benefits and subsequently causes injury or death. We should hold those primarily responsible for denying care, or providing poor care, accountable for medical mistakes. By referring disputes first to medical review boards, Congress can shield employers from liability for mistakes over which they had no control. We should also cap legal damages so that frivolous lawsuits do not bankrupt small business owners.

Second, Medical Savings Accounts will allow Americans to gain control of their health care dollars by establishing tax-free accounts to meet medical expenses. This would make health insurance more like homeowners' insurance and cheaper for everyone.

Finally, allowing small businesses to participate in Association Health Plans is an issue of fairness. Small business owners could join an AHP to purchase insurance at group rates so they can realize the advantages provided by economies of scale and lower administrative costs currently only enjoyed by larger companies. By joining together in trade and professional associations, many more small employers would be able to afford the high-quality health coverage they now lack.

Further, AHPs would attract all association members, both sick and healthy. Currently, small group markets discriminate against the sick because small businesses with sicker employees face higher premium increases since they are part of a small pool and their claims experience makes them "high risk." When these businesses join an AHP they become part of a much larger pool thus spreading their risk and lowering their costs.

These three goals provide for common sense health care reform. By passing these measures, Congress can take a great step forward to protect patients and small businesses while expanding access to health care for all Americans.

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