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the September 11, 2001, terrorist attacks, who was captured in Karachi, Pakistan; Abu Bakr Al Azdi, senior Al Qaida associate responsible for the May 12 bombing in Riyadh, Saudi Arabia; Foreign Minister Saud al-Faysal al Saud of Saudi Arabia; former United Nations weapons inspector David Kaye; President Hu Jintao of China; Chairman Kim Chong-il of North Korea; Prime Minister Mahmoud Abbas (Abu Mazen), Minister of State for Security Affairs Mohammed Dahlan, and Finance Minister Salam Fayyad of the Palestinian Authority; Prime Minister Ariel Sharon of Israel; President Charles Taylor of Liberia; Prime Minister Silvio Berlusconi of Italy; and President Vladimir Putin of Russia.

Remarks on the 38th Anniversary of Medicare

July 30, 2003

Thank you all for coming. Welcome to the people's house. We're thrilled you're here. Tommy is right; 38 years ago, Lyndon Johnson signed the Medicare Act. What I found interesting was that he had the ceremony in Independence, Missouri, so that former President Harry Truman could be there, because Truman had set out the vision of Medicare many years before that. A few minutes after 3 o'clock, Medicare became law, and President Johnson handed the first Medicare card to Harry Truman.

Health insurance for elderly and disabled Americans was one of the greatest, most compassionate legislative achievements of the 20th century. It spared millions of seniors from needless worry and hardship. Since 1965, every President and every Congress has had the responsibility to uphold the promise of Medicare, and we will uphold our promise. We will do our duty.

The 38th anniversary of Medicare is a time for action. The purpose of the Medicare system is to deliver modern medicine to America's seniors. That's the purpose. And in the 21st century, delivering modern medicine requires coverage for prescription drugs.

Both Houses of Congress have passed Medicare improvements that include prescription coverage. Now the House and Senate must iron out the remaining differences and send me a bill. For the sake of our seniors, for the sake of future retirees, we must strengthen and modernize Medicare this year.

I appreciate Tommy Thompson taking the lead on this issue for this administration. He—I knew him when he was a Governor. I figured he'd make a pretty good Cabinet Secretary—[*laughter*]—and he proved me right. He's doing a fabulous job. He is the point man on the Hill on this complex, important legislation.

And we've got two of the Members from the Senate who have worked really hard to see to it that the legislation came to fruition and passed the Senate and are working hard to get a good bill out of the conference, and that's—starting with the majority leader of the United States Senate, Bill Frist from Tennessee; the ranking member on the Finance Committee from the State of Montana, that would be Max Baucus, Senator Baucus. For those of you who don't follow politics—[*laughter*]—Frist is a Republican—[*laughter*]—Baucus is a Democrat—[*laughter*]—both of them willing to put aside party to focus on what's doing right for the seniors. And I appreciate their leadership of both these Senators. Thank you all for coming. You set a good example for the body you represent.

I appreciate Tom Scully, who is with us. He is the Administrator for the Centers for Medicare and Medicaid Services. That is a long title for a very tough job. And I appreciate Scully's knowledge on this issue. He too, along with Secretary Thompson, is working the Hill, along with members of my staff, working hard with Senators and Congressmen from both parties to come up with a bill that will stand the test of time.

I want to thank top docs in my administration who are traveling the country to talk about the benefits of Medicare reform. Rich Carmona is the Surgeon General of the United States. Thank you for coming, Doc. Dr. Julie Gerberding directs the Center for Disease Control and Prevention. It's a tough and important job. Mark McClellan is the Commissioner of the FDA, the Food and Drug Administration. Elias Zerhouni is the Director of the National Institute of Health—all four great Americans, all four fine doctors, all four doing a really good job on behalf of the American citizens.

On a piece of legislation like this, there's a—it obviously attracts the attention of advocates, people who are willing to get involved in the process, people who work hard on behalf of the constituents they represent. Today we've got Jim Parkel and Bill Novelli. Jim is the president, Bill Novelli is the director and CEO of AARP. I'm honored you all are here. Thanks. Thanks for providing such good leadership for all.

There's a group involved in the process called United Seniors Association. It's headed by Charlie Jarvis. He's the chairman and CEO, and Charlie is with us today. Thank you for coming, Charlie. Representing the 60 Plus Association is my long-time friend, Jim Martin. Thank you for coming. I'm glad you're here.

I want to thank those of you who are here today for your interest. I want to thank our fellow citizens who may be watching this on C–SPAN, if it happens to be on C–SPAN—seems like everything is on C–SPAN these days—[*laughter*]—for your interest in this very important issue.

You know, for a long time Medicare was called ''Mediscare,'' and it meant that political people weren't supposed to touch it for fear of losing an election, that when you talked about reforming Medicare, then all of a sudden you were supposed to lose because people would bang you over the head on the issue. I think we're beyond that, and that's a very positive development. A lot of you in this room have helped us get beyond that, and I want to thank you for that. Now we've got hard work to do to get this process across the line.

I'm joined onstage, by the way, by some of our fellow citizens, who I'll talk about in a little bit about how the current Medicare plan as envisioned by a lot of us will help in their daily lives. But let me start by telling you this: For four decades, it's important for our citizens to know that Medicare has done exactly what it was created to do, which is pretty unusual for an act of Congress—[*laughter*]—in all due respect. [*Laughter*] Under Medicare, older Americans have access to good quality health care in a system of private medicine. That what it was intended to do, and that's what it has done. Seniors and people with disabilities have greater peace of mind knowing that Medicare will always be there. It was the initial intent of the law, and that's what it has done.

Medicare coverage has helped protect the savings of our seniors and shielded their families from costs they may not be able to afford. Medicare is an important national achievement, and it is a continuing moral responsibility of our Federal Government. Americans are proud of our Medicare program. We must make sure that Medicare fits the needs of our seniors today. It has done what it was supposed to do. Our task is to make sure it continues to do what it was supposed to do.

It was created at a time when medicine consisted mostly of house calls and surgery and long hospital stays. Now modern medicine includes preventative care, outpatient procedures, and at-home care. Medicine is changing. Many invasive surgeries are now unnecessary because of the miraculous new prescription drugs being developed. Most Americans have coverage for all this new medicine, yet seniors relying exclusively on Medicare do not have coverage for most prescription drugs.

No one intended for Medicare to develop these major gaps in coverage. That was not the initial intent of the law. There are gaps in coverage now. Medicine has changed. Medicare hadn't. We must fill those gaps. Medicare must be modernized.

Let me give you a couple of examples by what I mean when I talk about modernization. Medicare today will pay for extended hospital stays for ulcer surgery at a cost of up to $28,000 per patient. This is important coverage. Yet Medicare will not pay for drugs that eliminate the cause of most ulcers, drugs that cost about $500 a year. Medicare will pay for the cost to treat a stroke, including bills from the hospital and rehab center, doctors, home health aides, and outpatient care. That's what Medicare pays for. Those costs can total up to $100,000. This is essential coverage; it's vital coverage. Yet Medicare does not cover the blood-thinning drugs that prevent strokes in the first place, drugs that cost less than $1,000 a year.

The Medicare system has got a lot of strengths, no question about it. Yet it is often slow to respond to the dramatic changes in

medicine, and that's what we've got to address. That's what we are addressing.

The best way to provide our seniors with prescription drug coverage and better preventative care is to give them better choices under Medicare. If seniors have choices, health plans will compete for their business by offering better coverage at affordable prices.

Both Houses of Congress have passed bills that follow the framework of reform that I suggested and others have suggested. Under either bill, seniors who want to stay in current Medicare have that option plus a new prescription drug benefit. Seniors who want enhanced benefits, such as coverage for extended hospital stays and protection against high out-of-pocket expenses, will have that choice as well. Seniors who like managed-care plans will have that option as well. All low-income seniors will receive extra help so that all seniors will have the ability to choose a Medicare option that includes a prescription drug benefit.

Many retirees depend on employer-sponsored health plans for their prescription drug coverage. That's a reality in today's society. Medicare legislation—the legislation that these two good Senators are working hard on—should encourage employers to continue to provide those benefits while extending drug coverage to millions of Medicare beneficiaries who now lack it. It's important that those who have assumed the responsibility—corporate responsibility of providing prescription drugs for their retirees keep providing that benefit. And I know the Senators are working on that important part of the Medicare legislation.

Every Member of Congress gets to choose a health coverage plan that makes the most sense for them, and so does their staff. So does every Federal employee, and so should every senior have that choice. See, choice is good. It makes sense. I can understand why Members of Congress have said, ''Well, look, give me more than one option if you don't mind. I'm plenty capable of choosing for myself. I'd like to see what's available. As a matter of fact, I'd like to have my demand be listened to. I'd like to have plans begin to tailor their services to what I think is necessary for me.'' And seniors should have that same option, it seems like to me. Seniors are plenty capable of making decisions for what's best for them.

For seniors without any drug coverage now, these reforms will help a lot. Let me tell you what I mean by that. In return for a monthly premium of about $35 or about a dollar a day, seniors now without coverage will see their drug bills cut roughly in half. That's the good work that these Senators have done. They've heard the call and they're responding with a piece of legislation that will help seniors save money.

A senior with a monthly drug cost of $200 will save between $1,300 and $1,800 on drug costs each year. That's under the bills that have been passed now. A senior with a monthly drug cost of $800—monthly cost of $800 would save between $5,700 a year and $6,100 each year on drug costs. That's some pretty good change.

The House and the Senate have got to work out their differences, and they're going to. This is—I believe that there's a spirit of cooperation and a can-do attitude amongst the conferees. But in either version of their bills, seniors who currently lack drug coverage will see real savings, and that's a positive reform for a lot of our fellow citizens.

As we move toward this system, we will provide seniors with a drug discount card that saves them 10 to 25 percent off the cost of all drugs, so they'll start seeing savings immediately as well. The conferees, I know, are working on the drug discount card now to make sure we can iron out any differences, and I was briefed on that today by our staffers who are working close with the conferees.

We have some seniors, as I mentioned, with us today—some citizens with us today that would like to see the legislation move forward for practical reasons. A lot of times in Washington we talk about statistics and laws and hearings, and I always like to bring the human element to the front so people get to see how these bills will actually affect people's lives in a positive way.

Mary Jane Jones from Midlothian, Virginia, is with us today. She's a Medicare recipient. She's 69 years old. She'd like to be retired for good. [*Laughter*] But she has to work 20 hours a week just to make sure she can afford her nearly $500-a-month bill for

prescription drugs and insulin. Sometimes, she says, she uses her insulin needles 3 or 4 times to save money. That's a story I'm confident that those who have held hearings in Congress or members of groups up here hear from their members.

Mary Jane says that getting about half her drug cost covered would be a big help. That way, she says, she wouldn't have to work constantly. Seniors like Mary Jane have made their plans. This bill will help them enjoy their retirement.

Refa Ryan is with us from Warrenton, Virginia. She has Medicare. She doesn't have drug coverage, and she pays $120 to $200 a month for medicine. Three years ago, when she was having a hard time making payments on her drugs, rather than asking someone for help, she was ready to sell her engagement ring. Fortunately, Denise found out about it and bought the ring so it stayed in the family. Refa says she appreciates what Congress is trying to do to add drug coverage to Medicare.

''I wouldn't be anxious all the time,'' she said. ''I wouldn't have to worry all the time.'' See, this bill will help our seniors not have to worry all the time. And that's why there's momentum toward getting something done.

I also fully recognize that there are some that are beginning to think about what Medicare means when they retire. I might be one of them. [*Laughter*] There's some baby boomers that are beginning to look out and say, ''Medicare isn't going to be there. Is it going to be modern when we get ready?''

In support of what I know the Senators are doing and Members of the House are doing, the conferees are doing, is that they're thinking not only to make sure the system works for our seniors today but make sure that seniors—I mean, that the seniors-to-be have got a plan available for them and that most of us in the baby boomer era, we like the idea of choices. We want to be able to pick and choose to help meet our needs. We want to make sure that the system is—kind of listens to the demand of the citizen.

Richard Kamenitzer is with us. Richard and I are of the same generation. It says in here he and his wife, Rose Marie, are in their fifties. Well, Laura and I are in our fifties too. He's from Stroudsburg, Pennsylvania. He's a self-employed guy. He's a part of the entrepreneurial class here in America. He's a small-business man, and he and his wife take about seven medications a day right now. Now, he's probably beginning to wonder, after he retires, how can he afford seven medications—he and his wife—a day? Who's going to pay for it?

He said—here's what he says, with drug coverage and Medicare, about the new plans that we're trying to get done. He said, ''I'd have a fighting chance''—that is, ''I would have a fighting chance to enjoy retirement. Without it, I don't know what I'd do. Retirement, in a sense, may be out of the question, because I won't be able to afford the prescriptions I desperately need.''

See, not only are we talking about helping the seniors today who are on Medicare; we're talking about the ones getting ready to get on Medicare too. And that's why these folks are thinking beyond just the immediate. We want a plan that stands the test of time. Remember, the plan that Lyndon Johnson signed was pretty effective for four decades. We have a chance to do the same thing here in Washington, DC.

I know that Congress is listening to the voices of the retired and near-retired. And I appreciate that very much. I appreciate the willingness throughout all the Federal Government to give our seniors and those living with disabilities the kind of options they deserve, the kind of hearing that they want. We should not let another Medicare anniversary go by without modernizing the system, without giving our seniors—[*applause*].

The Senate, I think, is getting ready to go out on the August vacation. We're certainly pulling for you to go out. [*Laughter*] The House is already gone. They're in their districts. They'll be listening to the people, and I know Americans who are concerned about this issue will want to make their voices heard. And we, of course, urge you to do so. We urge you to contact your Member of your House and your Senators and let them know your thoughts on Medicare reform. Let them know that we expect to plow through the doubts and the obstacles and get a good bill to the President's desk. My pen is ready. I'm ready to sign a good bill.

I know that this August, staff members of the conference will be working. And for those staff members who are here, I want to thank you for grinding through a complex piece of legislation and working out your differences. And then when the Members come back, we'll have some heavy lifting to do. But I want to be there to help you carry the load.

We've all come to Washington, those of us who have been elected to office, to serve something greater than ourself. And we have a duty and a call to not only describe a problem but to address it. And in this case, when we do, the lives of our fellow citizens will be improved.

I want to thank you for your interest in this really important subject, thank the two Senators who have joined us today. I want to thank the members of my Cabinet who are here.

May God bless you all, and may God continue to bless the United States of America.

NOTE: The President spoke at 2:45 p.m. in the East Room at the White House. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

Statement on the Earth Observation Summit

July 31, 2003

The United States is pleased to host more than 30 nations at the Earth Observation Summit. The Summit participants will discuss plans for achieving the goal of building a better integrated Earth observation system in the next 10 years, an objective established by the G–8 heads of state in Evian, France, in June 2003. An integrated Earth observation system will benefit people around the world, particularly those in the Southern Hemisphere. Working together, our nations will develop and link observation technologies for tracking weather and climate changes in every corner of the world, which will allow us to make more informed decisions affecting our environment and economies. Our cooperation will enable us to develop the capability to predict droughts, prepare for weather emergencies, plan and protect crops, manage coastal areas and fisheries, and monitor air quality.

Executive Order 13313—Delegation of Certain Congressional Reporting Functions

July 31, 2003

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, it is hereby ordered as follows:

Section 1. The functions of the President of submitting certain recurring reports to the Congress are assigned as follows:

(a) The Secretary of State shall submit the following reports:

1. Report on Kosovo Peacekeeping, consistent with section 1213 of Public Law 106–398;

2. Report on Bosnia and U.S. Forces in NATO-Led Stabilization Force (SFOR), consistent with section 7(b) of Public Law 105–174 and section 1203(a) of Public Law 105–261;

3. Report on Partnership for Peace Developments, consistent with section 514 of Public Law 103–236 (22 U.S.C. 1928 note);

4. Report on U.S. Military Personnel and U.S. Civilian Contractors in Colombia, consistent with section 3204(f) of Public Law 106–246;

5. Report on Nuclear Nonproliferation, consistent with section 601(a) of Public Law 95–242, as amended by Public Law 103–236 (22 U.S.C. 3281(a));

6. Report on Resolution of the Cyprus Dispute, consistent with section 620C(c) of Public Law 87–195, as amended by Public Law 95–384 (22 U.S.C. 2373(c));

7. Report on Peacekeeping, consistent with section 4 of Public Law 79–264, as amended (22 U.S.C. 287b);

8. Report on Proposed Refugee Admissions, consistent with section 207(d)(1) of Public Law 96–212 (8 U.S.C. 1157(d)(1));

9. Report on Continued Compliance With the Provisions of the Jackson-Vanik Amendment, consistent with sections 402(b) and 409(b) of Public Law 93–618, as amended (19 U.S.C. 2432(b), 2439(b));

10. Report Regarding Conditions in Burma and U.S. Policy Toward Burma, consistent with section 570(d) of Public Law 104–208;