

REMARKS OF SENATOR JOHN HEINE

ST. BARNABAS LIFE CARE COMMUNITY

Sunday, June 3, 1984

Thank you and good evening. I am honored and privileged to be with you here tonight celebrating the 84th anniversary of Founder's Day at St. Barnabas. It is an honor for me because St. Barnabas is a living and proud tradition here in Western Pennsylvania. At the turn of the century, when Gouveneur (pronounced Goovenor) Hance opened the doors of the Church Army Convalescent Home, I understand that the home had only four beds, a table and a few chairs on the second floor of a tiny building in downtown Pittsburgh. Today the successor -- St. Barnabas -- is an innovative retirement village that offers its residents a mix of medical and social services. Indeed, your newest addition to the St. Barnabas campus, the retirement village, is a truly remarkable achievement made possible by all of you here tonight and I congratulate you, and I commend your time, money and commitment to meeting the needs for dignity and security for so many more elderly Western Pennsylvanians.

So it is with good reason tonight that we can celebrate three-quarters of a century of achievements by St. Barnabas thanks to its many friends and admirers. I am also reminded that the reason Collie Burgwin and Bill Day invited me here is not to sign me up -- at least not yet -- for future residency.

I think their invitation had something to do with my Chairmanship of the Senate Special Committee on Aging.

And knowing that I would have a captive audience -- especially one of friendly and familiar faces -- I could not resist accepting. So here I am, and I want to take this occasion to share with you a few thoughts on what St. Barnabas works on every day of the year and what is truly the greatest human challenge of our time -- namely, enhancing the quality of life for older Americans.

That is a great and growing challenge because what has happened, of course, is that medical advances in enhancing our ability to fully enjoy our lifespan have been outpaced by advances dramatically extending our longevity. The 35 year old of today, for example, can expect to live 2.6 years longer than the 35 year old of just ten years ago -- which, by the way, includes me. Think of it! A 2.6 year increase in ten years!

What are we doing to improve the quality of life generally for older Americans, besides hiking social security benefits every year? Not much. And, worse, we are hurting ourselves in the process. For example, why should we continue to invite everybody at age 62 or 65 to retire and give up productive pursuits? It is contrary to every American's self interest. With so few members of the current "baby bust" generation joining the work force in coming years, we're going to need to retain older workers in the workforce in order to sustain any economic

growth especially if we keep creating jobs at the rate of 700,000/month like we did in April. Furthermore, with jobs evermore dependent on judgment and experience, why should our country deny itself access to those abilities just because of the number of candles on a birthday cake?

A moment ago, I mentioned medical research. Would it surprise you to learn that we are spending less than 1/2 of 1/10th of 1% on medical research for, say, Alzheimer's disease (\$5 million dollars), compared to the over \$12 billion dollars that just the government spends for the care of those afflicted with this disease?

We should perhaps reflect on why we are so good at focusing valuable talent on curing diseases like polio and now even AIDS and herpes, and why we have, in comparison, ignored diseases like Rheumatoid Arthritis and Alzheimer's.

Another "for instance". For most of the last ten years my constituents have been telling me that inflation has been destroying this country. By that measure, it should be a national scandal that over the past decade, health costs have risen almost three times faster than the overall rate of inflation.

Last year, many American businesses spent more for health insurance premiums than they paid out in dividends. Today the price of an average automobile includes \$500 dollars for health insurance premiums. Because of this cost inflation, Medicare, the trust fund which pays the hospital bills of nearly 30 million senior citizens, will build up a total deficit by 1995 of somewhere between \$100 and \$300 billion dollars. If all we do is moan about Medicare's interim bankruptcy, catastrophic as that would be, we will discover, maybe when the price of an American built auto includes \$1500 each in health premiums and no one is buying them, that we really had better look at the entire health care system and the way we pay for it.

These are all vital issues for older Americans, for our Committee and for the Congress, and while I have given lengthy even interminable speeches on each to various audiences you will be relieved to know I won't give any of them tonight. I propose instead, in the few minutes I have left, to focus on a pressing concern which government should not have to solve all by itself. In a sense, St. Barnabas exemplifies what I am talking about. St. Barnabas gets no direct government support, yet St. Barnabas is able to provide a comprehensive range of services needed by many older Americans.

The bad news is that retirement communities such as St. Barnabas are able to serve only the relatively affluent. No matter how good a job we all do in building such retirement communities, at least two-thirds of older Americans won't be able to afford them.

Although last year we spent a total of over \$44 billion for long term care, millions of older Americans did not get the kind of care they need, and hundreds of thousands had to be institutionalized unnecessarily -- a costly and unhappy consequence. Isn't it ironic that we pride ourselves on having the best health care system in the world and, yet, individuals and families have virtually no means of securing themselves against a debilitating chronic illness. Medicare will only pay for short term, medically necessary skilled care. Medicaid will help you, but only if you have become a welfare case. Although seventy percent of older Americans have so-called Medigap insurance; these policies don't really cover long term care. Consequently, most Americans who are neither very rich nor very poor are out of luck.

Let me give you one example. One of our witnesses at a recent Senate Aging Committee hearing told us about her husband, a victim of Alzheimer's disease, and how, after she could no longer cope, her husband was admitted to a nursing home. Like so many middle class couples, this woman soon learned that she had no financial protection to cover the \$30,000 dollar a year for the nursing home. All she could see clearly was that their \$75,000 life savings would be wiped out in 2 1/2 years. Her lawyer recommended that she file for divorce so she would not have to pauperize herself to support her husband. Clearly a health care system that forces a man and woman married for 50 years to choose between poverty and divorce is nothing we should be proud of.

So what do we do for such people? Given the current financial pressures on both Medicare and Medicaid, the federal government is not going to take on this problem by itself. Certainly, we can and should commit ourselves to a significant program of research into the causes and the prevention of chronic diseases such as Alzheimers. Less obviously, we need properly trained people as caregivers. We have few enough practicing physicians who can claim any expertise in geriatric medicine. A recent survey of physicians in Beaver County found 3 out of 5 physicians basically knew very little about the drugs they prescribed for their older patients. That says something -- nothing favorable, I am afraid, as does the fact that of the 127 medical schools in this country which are affiliated with 417 teaching hospitals, only 5 are affiliated with any teaching nursing home.

How then can we achieve the goal of enabling Americans to live out their retirement years with the health, independence and dignity they deserve? In my judgment, there is no reason why the private sector, through insurance, shouldn't be a major part of the solution. I would like private insurers to develop an "Independent Living" insurance plan -- to meet the future needs of these millions of older Americans and their families. After all, we have insurance for a whole spectrum of risks, from auto theft to floods to death. If we can insure against the catastrophe of death, why can't we address the clearly insurable

interest of older persons, their spouses and their children in avoiding the threat of pauperization because of chronic illness?

In order to move this idea forward, I will soon propose a National Commission of representatives from the insurance industry, health provider organizations and consumer representatives to join with those of us in government to explore and develop a joint public/private approach to independent living insurance.

My hope is that insurers will use the work of this Commission to develop and market policies that for the first time will give middle-income Americans the option of insuring themselves and their families against the risk of chronic illness. Appropriately designed, such policies would encourage the least expensive and most appropriate forms of care necessary to support health maintenance and continued independence in the home.

The Federal government may have a role in supporting insurance for those with either high health risks or those without sufficient income to buy this form of protection. With the cooperation and support of the private sector, I am convinced that we can move forward in meeting this need, and, in a real sense, extend the mission and hope symbolized here at St. Barnabas in this small community, to all Americans.

In closing, therefore, I want to do far more than commend you, the St. Barnabas family, for helping to improve the lives you touch. I commend you for helping us to see how to help Americans who are not so fortunate. And I congratulate you for challenging us, every day of the year to achieve the goal of health, independence and dignity for all older Americans. Thank you for what you are doing and God bless you.