

SENATOR JOHN B. BREAUX

RANKING MINORITY MEMBER

SENATE AGING COMMITTEE

"Retiring Baby Boomers: Meeting the Challenges"

Opening Statement

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Mr. Chairman, I want to commend you for holding this hearing that will look at the major challenges to public retirement and health care programs such as Social Security and Medicare. The future solvency and stability of these programs depends on many factors, including the one we will explore today, the impending retirement of my generation--the so-called baby boomers. While we will be focusing this morning on the specific challenges the retiring baby boomers pose, we will also be exploring how we as a nation can come together and address these challenges.

I think our witnesses today will help us identify not only what the challenges are, but also where the public is regarding these complex issues. In my discussions with Louisianans and others around the country, it often seems there is a disconnect between how people view government health and retirement programs and what should be done to maintain their long-term solvency. They often forget that Social Security and Medicare are government programs, which might be an indication of their overall success--future threats notwithstanding. It seems that before we take drastic--or even incremental--action to meet our challenges, we have to identify where the public is and how to start moving in the right direction.

Senator Grassley, you and I have worked closely together to plan this hearing, in the bipartisan tradition of the Aging Committee. I am particularly pleased with the impressive group of witnesses we have with us here today. They represent "cutting edge" thinking about these issues.

This hearing is about the group of 75 million Americans known as "baby boomers" and how their retirement will impact all public and private retirement programs as they start to retire in the year 2010 - - just 13 years from now. When they retire, about one in five Americans will be 65 years of age or older. How America prepares today for this unprecedented change will determine the quality of life for all of us in the 21st century.

Mr. Chairman, I would hope that we who serve in the Congress by now recognize that the two most important programs for older Americans, Social Security and Medicare, are in serious trouble and that serious action is called for. By 2010, Social Security will be paying more out than it brings in. Medicare is in worse shape -- its trust fund will be exhausted in four years. It is clear that major changes are needed to preserve these programs for current and future retirees.

It is not clear, however, to what extent we are on the same page as the American public. As we will hear from the pollster Madeline Hochstein, almost 90 percent of Americans polled think that the Medicare trust fund would be made solvent simply if we cracked down on fraud, waste, and abuse in the program.

Mr. Chairman, I am the first one to recognize that there are some wasted funds in the Medicare program

and that we need to do more to combat fraud and abuse. I doubt, unfortunately, that stopping medical equipment suppliers from charging Medicare a hundred dollars for a wheelchair pad or that ending questionable use of home health care services will in and of itself balance the Medicare trust fund. I am afraid we need to do more than that -- much more. The task for this Congress, therefore, is to explain this to all Americans and gain their support.

All generations, not just the elderly, must be involved in the national debate on ways to protect health care, social security, and other retirement programs. We can't continue to engage in generational battles, but must join forces in the fight to protect retirement security.

Each generation has a stake in facing the nation's retirement concerns realistically and coming up with answers for ourselves, our children, and our grandchildren. Generation Xers, baby boomers, and the older population must work together if we want a secure retirement well into the 21st century.

We all have seen proposals to fix Medicare and Social Security. The ones I have seen deal with raising taxes, cutting benefits, privatization, or some combination of all of these. Mr. Chairman, it is my understanding that some of our witnesses will offer us additional or alternate methods of shoring up these important programs. I certainly think we need to do more of this --listening to outside experts who may have solutions we would never have considered.

The retirement of the baby boomers really presents us with a tremendous opportunity to start bringing the generations together to address the financial solvency of programs like Medicare and Social Security. I believe we can find real answers if the members of both parties and all generations join forces with the kind of highly qualified professionals and experts we have before us today.

There is much more I could say about how we need to preserve public programs such as Medicare and Social Security for the baby boom generation -- and all other generations -- but I am anxious to hear from our witnesses. Mr. Chairman, thank you again for calling this hearing. I am pleased with the way we have begun our leadership of the Aging Committee and look forward to working with you on our future hearings.