

Originally Processed With FOIA(s):

S

FOIA Number:

S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13830
Folder ID Number: 13830-002

Folder Title:
Healthcare-Painesville, Ohio 9/5/92 [OA 7579] [3]

Stack:

G

Row:

26

Section:

22

Shelf:

7

Position:

6

GEORGE V VOINOVICH
GOVERNORSTATE OF OHIO
OFFICE OF THE GOVERNOR
COLUMBUS 43266-0601614-644-0937
FAX# 614-466-9354TO: MARY ~~MATAZIN~~ ED WALTERSFROM: LAUREL PRESSLER (614) 644-0789FAX # (614) 644-0794RE: Visit by Pres. Bush to OhioDATE: 9/2/92TIME: 545 PMNUMBER OF PAGES INCLUDING THIS PAGE: 3

COMMENTS:



GEORGE V. VOINOVICH
GOVERNOR

STATE OF OHIO
OFFICE OF THE GOVERNOR

COLUMBUS 43266-0601

September 2, 1992

Mary Matalin, Deputy Campaign Manager
Bush-Quayle '92
1030 Fifteenth Street, N.W.
Washington, D.C.
20005

Ms. Matalin:

I understand that you spoke with Governor Voinovich earlier today. He is pleased that the President is attending the Oktoberfest. Unfortunately, as the Governor has already informed you, he is going to miss the festival for the first time in twenty-six years due to a long scheduled trade mission where he will be promoting Ohio exports and manufactured goods.

Exports make up a very significant portion of Ohio's economy. The state ranks third in the nation in exports of manufactured goods and fourth in the number of jobs related to exporting these goods. Coupled with the fact that Ohio's direct exports increased by 19% from 1989 to 1990, you can understand the importance that the Governor places on creating new export markets. I have attached a fact sheet from our International Trade Division with additional export facts. If you need more specific information in preparing the President's remarks, please call me at (614) 644-0789.

In a situation that hits closer to home, today the Governor oversaw the loading and departure of Ohio's first flights of relief aid from Rickenbacker Air National Guard Base to those people devastated by Hurricane Andrew. The Governor feels very strongly that this sharing of relief effort is the very essence of what we mean when we talk about family values. In this time of crisis, the citizens of Ohio see their brothers and sisters in Florida needing the shelter of a wider family. In this case, the wider family is the larger community - indeed, the nation. People throughout the country are relying on their sense of family values to help fellow citizens cope with the problems brought on by Hurricane Andrew. In this time of trouble, the Governor sees the victims of Andrew as part of an extended family.

Sincerely,

A handwritten signature in cursive script, reading "Laurel Pressler".

Laurel Pressler

Director of Cabinet Affairs

OHIO EXPORT FACTS

- Ohio's direct and indirect* exports total \$25.8 billion, comprising 6.3 percent of the state's economy.
- Ohio is the nation's third largest exporter of manufactured goods, following California and Texas.
- One of every seven Ohio manufacturing jobs are related to exporting.
- Ohio ranks fourth among all states in the number of jobs related to the export of manufactured goods. The total jobs being over 312,000.
- Ohio's direct exports increased by 19% from 1989 to 1990.
- Ohio's top 5 trading partners are Canada, France, Japan, United Kingdom and Germany.
- Ohio's top export industries in 1990 were:

Transportation	\$5.4 billion
Industrial Machinery/ Computer Equipment	\$3.0 billion
Chemicals & Allied Products	\$1.7 billion
Electronic, Electric Equipment	\$924 million
Fabricated Metal Products	\$696 million

- Ohio's primary export, transportation equipment, accounted for 34.1% of it's total exports.
- Ohio ranks first in the U.S. in shipments of stone/clay/glass products, and rubber/plastics products.
- Ohio companies shipped exports to 172 foreign destinations in 1990.
- Ohio companies create/retain one job for every \$40,000 in export sales.

*Indirect exports refer to parts and supplies which are incorporated into the final export product.

Revised 11/91

DATE: SEPTEMBER 4, 1992

CLIENT:
LIBRARY: NEXIS
FILE: OMNI

YOUR SEARCH REQUEST IS:
CLINTON AND HEALTH CARE AND DATE IS 4/2/92

NUMBER OF STORIES FOUND WITH YOUR REQUEST THROUGH:
LEVEL 1... 18

14TH STORY of Level 1 printed in FULL format.

Copyright 1992 The New York Times Company
The New York Times

April 2, 1992, Thursday, Late Edition - Final

SECTION: Section A; Page 20; Column 5; National Desk

LENGTH: 491 words

HEADLINE: THE 1992 CAMPAIGN;
Clinton's Record in Arkansas Is Uneven on Health Issues

BYLINE: By B. DRUMMOND AYRES Jr., Special to The New York Times

DATELINE: LITTLE ROCK, Ark.

BODY:

When Gov. Bill Clinton says he has faced many uphill struggles to improve life for his constituents here, none has been more daunting than trying to improve health care.

Arkansas, one of the nation's poorest states, has some of the country's most serious health problems: above-average rates of disease and death, shortages of doctors and hospitals and inadequate insurance coverage.

As in most states, health-care problems are largely left to the Federal Government or to hospitals and insurance companies. The occasional steps that Governor Clinton has taken into the field provide few solid clues about how he might handle this vast, difficult problem on the national level.

Mr. Clinton has tried to expand health insurance coverage, perhaps the major health issue in Arkansas and the nation. But his effort bears little resemblance to his Presidential campaign pledge of a "play or pay" program that would force employers to insure their workers or pay a special tax into a fund that would provide Government coverage. He never pushed a "pay or play" plan here.

Though Arkansas residents have higher-than-average rates of illness and death, one in four Arkansans has no health insurance, compared to only one in seven Americans nationally. Over all, Arkansas ranks 46th in health insurance coverage and 40th in the level of Medicaid care that the state, in combination with the Federal Government, is willing to finance.

'Bare Bones' Insurance

Last year, in an effort to expand insured medical coverage, Mr. Clinton supported lawmakers in their successful effort to pass what they called a "bare bones" insurance program for workers.

For years many Arkansas workers, particularly those in smaller companies, had been unable to get health insurance because their employers argued that the state required company plans to be too comprehensive. Under the new program, requirements for some of the more expensive coverages, like mental health care and treatment for alcoholism, were dropped, but coverage for critical care of major illnesses was not curtailed.

The New York Times, April 2, 1992

The Governor has won broad praise for trying to improve health services in another area, care for pregnant women and the newborn.

He successfully pushed to provide more state money to clinics to offer those expanded services and stood solidly behind a State Health Department program that permits local school authorities, if they wish to distribute family planning information through school health clinics, as some do.

Jane Horvath, director of health policy for the American Public Welfare Association, a state welfare lobby in Washington, said Arkansas was a leader in trying to provide prenatal and infant care.

But progress is not readily evident.

Like most states, Arkansas has reduced its infant mortality rate in recent years, but not enough to improve its national ranking. It currently is 34th in infant mortality, compared to 33rd a decade ago.

SUBJECT: MEDICINE AND HEALTH; HEALTH INSURANCE; PRESIDENTIAL ELECTION OF 1992

NAME: AYRES, B DRUMMOND JR; CLINTON, BILL (GOV)

GEOGRAPHIC: ARKANSAS

PRINT CASE REQUESTED: SEPTEMBER 4, 1992

10067P

1 DOCUMENT PRINTED

3 PRINTED PAGES

SEND TO: DOOLY, PEGGY
WHITE HOUSE COMMUNICATIONS OFFICE
OLD EXECUTIVE OFFICE BUILDING
ROOM 111 1/2
WASHINGTON DISTRICT OF COLUMBIA 20500

*****06748*****

LEXIS·NEXIS® 

Services of Mead Data Central, Inc.

LEXIS·NEXIS® 

LEXIS·NEXIS® 

Recyclable 

***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****
***** 36271 ***** BEGIN PRINTOUT ***** SEPTEMBER 4, 11:09 A.M. *****

SEND TO: DOOLY, PEGGY
WHITE HOUSE COMMUNICATIONS OFFICE
OLD EXECUTIVE OFFICE BUILDING
ROOM 111 1/2
WASHINGTON, DISTRICT OF COLUMBIA 20500

*****-----*****

* 12 PAGES 322 LINES JOB 25016 10067P *
* 10:54 A.M. STARTED 10:56 A.M. ENDED 09/03/92 *

*****-----*****

*****-----*****

*	EEEEEE	N	N	DDDD	*
*	E	N	N	D D	*
*	E	NN	N	D D	*
*	EEE	N N N		D D	*
*	E	N NN		D D	*
*	E	N N		D D	*
*	EEEEEE	N	N	DDDD	*

*****-----*****

*****-----*****

SEND TO: NIX, SUSAN MICHELE
WHITE HOUSE COMMUNICATIONS OFFICE
OLD EXECUTIVE OFFICE BUILDING
ROOM 111 1/2
WASHINGTON, DISTRICT OF COLUMBIA 20500

Ed - FY Revises Draft -

→ Still haven't
incorporated your
changes - but

McGroarty/Walters
September 2, 1992
1:00 p.m.
[health]

PRESIDENTIAL REMARKS: HEALTH CARE
PAINSVILLE, OHIO
SEPTEMBER 5, 1992
10:00 A.M.

I will. DMJ

[Acknowledgements.] And of course, hats off to our hosts -
- Steve and Gretel Bencic. //

[[You've all seen Gretel's cake, but you may not know the
story behind it. I don't want to give away her age, but __ years
ago, when Gretel was 2 years old, the war in Europe separated her
from her family. The Red Cross came to Gretel's rescue -- so
today she's returning the favor, to help the people of South
Florida and Louisiana in their moment of need. That's the best
in the American spirit: plenty of heart, always generous, always
ready to help neighbors in need. //]]

And after xxxx thousand Meals Ready to Eat, we may just
airlift Gretel's cake to Miami to take care of desert. //

[[It's great to be here in Painsville to help open this
year's Oktoberfest. You've got the four basic food groups:
pancakes and syrup / bratwurst and beer. // And not one sprig
of brocolli in sight.]]

I know the main attraction this morning is pancakes, not
politics. So today I've set aside the standard Labor Day speech.
I want to do something a little different -- I want to take a few
minutes to speak to you about a serious matter, something you
should be thinking about as you go into that voting booth

November 3rd: About the way we can change America's health care system for the better. //

Think about the challenges we face as a nation: Anyone concerned about America's competitiveness has to see controlling health care costs as key to a healthy economy. / Think about the concerns we have as parents: Health care -- for ourselves, for our kids -- has to top the list. //

Maybe you're worried about what happens to your health care if you change jobs -- or worse still, if you lose your job. Maybe you've got a child with a long-term illness. You're worried that if you leave your job -- even to take a better one -- you'll lose your health care. [[LETTER FROM CLEVELAND GIRL, TIFFANY MCNALLY, ON FAMILY'S HEALTH PROBLEMS....]] //

The one thing this crisis is not about is quality of care. American health care is first-rate, number one in the world. Since 1980, average life expectancy in America is up -- infant mortality is down. Deaths from heart disease are down. Deaths from stroke -- down. One big reason is the [xx] percent increase in federal medical research in everthing from Alzheimers to AIDS.

And right now, the vast majority of Americans have access to this quality care system. But the cost we pay for health care has skyrocketed. Maybe it won't surprise anyone who's made a trip to the pharmacy for prescription pills lately -- but America's annual health care costs have risen from \$74 billion dollars in 1970 to \$800 billion dollars today. And still, more than 30 million Americans have no insurance at all.

And don't kid yourselves. We all pay for high health care costs -- more than once. High health costs are a drag on our economy -- drive up the deficit -- and soak up money we need for other vital public programs. //

Back in Washington, some of the political pundits say that health care is a Democratic issue. Well, I don't believe that, and I'll tell you why: We've got the compassion -- and the common sense -- to change our system for the better. Health care reform is a key part of my agenda for economic security. //

I listen to the American people. You want to know you've got insurance you can count on -- whether you keep your job / lose your job / or change your job. I don't hear you calling for higher taxes to finance a government take-over of our hospitals.

You see, I think that government is too big and it spends too much. Right now, the cost of health care eats up 13 percent of all the goods and services we produce. The last thing I want to do is put the government in charge of 13 percent more of the American economy. //

And yet that's what some people want: To nationalize our health care system. Put government in control: let government set prices, let government ration the kind of care people get -- how much, what kind, and when they'll get it. / Go the government route, and you know what we'll get: A health care system that combines the efficiency of the House Post Office with the compassion of the KGB. //

You know, that comparison made a few people hot under the collar. I even got one letter from Russia telling me: "Quit running down the KGB." //

Nationalize health care, and here's what we're in for: Long waiting lists for surgery -- shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. One example: Right now, the Cleveland Clinic performs 10 coronary bypass surgeries a day. High tech, high quality surgery -- without any wait. But if you live across Lake Erie in Canada, the wait for coronary bypass surgery is six months. Need your tonsils out? Take a number: The waiting list in Canada is 3 and 1/2 months. //

And then there's the cost. According to some studies, nationalized health care would mean a whopping \$250 to \$500 billion dollars a year in new taxes. //

But you won't hear about higher taxes from the folks pushing that scheme. Ask them about the side-effects of their plan, and they just say: Take two aspirin -- and call me after the election. //

But there's another proposal out there that's every bit as harmful to the economy. Maybe you've heard of it -- it's called "Play or pay," and here's what it means: Each employer must "play" -- meaning: provide insurance for employees, or they can "pay" -- a payroll tax to finance government health coverage.

Well, Play or Pay will leave a lot of small businesses -- businesses that are the heartbeat of this American economy

-- with a tough choice: One, cut workers' wages to pay for mandated health care. Two, fire some workers and use the savings to cover the rest. Or three: raise prices, and try to pass along the cost to the consumer. Some reliable studies say a 7 percent payroll tax will cost this country 700,000 jobs. Higher prices, lower wages, lost jobs: Any way you look at it -- that's the wrong prescription for America. //

back-door natlize....

QUOTE Clinton operative USA Today:

In the end, "Play or pay" is really no different from nationalized health care. I'm tempted to call it "pay and pay." It invites employers to stop offering health benefits, throw the problem in the government's lap, and dump millions of working Americans into a public plan like Medicaid. And because the new payroll taxes in Play or Pay can't possibly pay for the program -- you, the American taxpayer, will have to pick up the tab. //

The fact is: We can reform health care without pushing our economy into intensive care. // We start with these objectives: a health care system built on choice -- not government control. One that keeps costs down -- and opens up access. But above all, a health care system that gives all Americans real security -- security / that if they change jobs, if they or their kids develop serious health problems, they'll still be able to count on the coverage they need. //

My plan meets every one of these objectives.

→ We start ^{can} by making health care more accessible -- by making health insurance more affordable. For low-income individuals and

families, I propose a health insurance credit -- up to \$3,750 dollars a year to help people buy private health insurance. Middle-income individuals and families -- all the way up to those making \$80,000 -- will get a health insurance tax deduction. All told, that's new help to purchase health insurance for 70 million Americans.

Take a family of two parents with a child: One working parent -- employed by a company that doesn't provide health coverage. That family's total income is \$10,000 -- low enough to put them under the poverty line, but high enough to make them ineligible for Medicaid. / Right now, that family falls through the cracks -- can't afford any health care coverage at all. Under my plan, that would change: this family would qualify for \$3750 health care credit -- payable to the health care insurer of their choice. //

All together, my plan will bring health care coverage to almost 30 million uninsured Americans -- security to people who, for far too long, have had to do without. //

And as we open up health care to all Americans, we can cut runaway costs -- by making the system more efficient. The key is something we call Health Insurance Networks -- to pool small businesses that too often can't afford to offer health insurance to their workers, or worry that one worker's illness or accident could drive everyone's health insurance through the roof.

Insurance costs obey the "law of large numbers:" The larger the group being insured, the lower the cost per individual.

Think of it this way: What kind of a deal can you get bargaining with the grocer to buy one box of cereal? Now let's say you got together with everyone on your street, or better yet everyone in your town, and then went back to buy cereal? You'd drive a harder bargain and get a better price. The same thing works for health care.

We're also going to cut health care costs by wringing out waste and excess in the present system. That's why we've targeted malpractice insurance for reform. You shouldn't have to pay a lawyer when you go to the doctor. Right now, people are doing just that: High malpractice premiums mean higher doctors' bills, higher hospital costs -- costs passed along not only to the patient, but to every American taxpayer. [[Last year alone, legal costs inflated our doctors bills by xx billion dollars.]]

Some I know are sceptical -- they think the savings won't add up. But I can tell you, when each year's health care costs total more than what we spend on our kids' education and our country's national defense -- combined -- even small changes can save us billions.

I won't detail this morning the way the Health Insurance Networks I mentioned will save money by helping cut red tape and paperwork -- the way we'll simplify and speed up claims processing, or bring the growth in government health programs under control. But I will say this: If we made the changes I've talked about, my plan would save nearly 400 billion dollars in the next four years. //

Now I know: We can't do it all between now and November 3rd -- but we can make a start. So today I challenge the Congress: Start with my small business reforms -- with the package that will mean affordable, quality health care for millions of Americans who don't have it now, and pass my plan. And I ask all of you here to join me -- tell the Congress it's time to act. //

You know, when you're President, you get a lot of advice -- from all over the country, from people of all ages. Here's one example, from a boy named Cory, 11 years old, on what a President should do when you're fighting with Congress, and you just can't get things done. Here's the quote: "Meet at the Capitol at midnight, and check the Constitution to see who's right." //

Well, if it gets things done ... maybe it's worth a try. /

I know there are those who say this nation has seen its best day. They don't know the whole world still believes in America's magic. They don't see the whole world thinks America is just another way of saying ... the future.

Now that the entire world is turning our way -- toward free government, free markets, less bureaucracy, less red tape and more competition -- we can't turn back. America will move forward -- mold the future into a new American century.

We can do the work of the American people. We can lift this country to new heights, to new hope. And we will build the strong, secure America we want to pass on to our kids. //

Once again, my thanks for this warm Ohio welcome -- and may God bless the United States of America.

65609

2 John Collins

PREPARED BY:

EXTENSION

- ☒ PREPARE CONTROL SHEET ☐ SUBSTANTIVE INTERIM ☐ REFER TO ☐ ACKNOWLEDGEMENT

Send her info on Hill-Burton & CHCs.

ACTIONS REQUIRED:

COPIES ROUTED TO:

COPY from FORM

Understand William that we were in receipt of her letter to Frederick Bush regarding her family's need for help in paying their medical bills. Get a report for the Committee that the Center (CHC) program, since we were unable to get the program, could and have lost of the CHC & CHC. John told her that the Hill-Burton program in case her family should receive assistance. I agreed to provide info on the program as well. Finally, I assured William that we had contacted, with a list of her brother's (herb) have lived, degree. She noted she had had a system from help from that first agency. Case closed.

REPORT OR REQUEST INFORMATION

- ☒ Member of Public ☐ Congressional Liaison Office ☐ Other ☐ Regional Office

Call to or Call from (Check as applicable)

NAME (AS SHOWN ON TO BE SHOWN ON CONTROL SHEET)		NAME OF CONGRESSMAN/THIRD PARTY	
LAST	FIRST	MIDDLE	NAME
Mr. Kelly	William		Mr. William (House)
DATE OF CALL		STAFF MEMBER	EXTENSION
6/28/90			
BENEFICIARY'S ADDRESS		TELEPHONE NO.	SUBJ. MAT. CODE
Cleveland, Ohio		(216) 476-3721	
Call to ☒ or Call from ☐ (Check as applicable)		HOME ☐ B.C. ☐	

THE WHITE HOUSE OFFICE

REFERRAL

JULY 10, 1990

TO: DEPARTMENT OF HEALTH AND HUMAN SERVICES

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 156232

MEDIA: LETTER, DATED MAY 11, 1990

TO: PRESIDENT BUSH

FROM: MS. TIFFANY MCNALLY
10309 BERNARD AVENUE
CLEVELAND OH 44111

SUBJECT: YOUNG WRITER EXPRESSES CONCERNS ABOUT FAMILY
ILLNESS

RECEIVED
90 JUL -9 PM 5:43
OFFICE OF THE SECRETARY
COMMUNICATIONS
CONTROL CENTER

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE, 20500

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

1990 JUL 13 A 10:33

HCFA, BPD
OPS, IS

9007/100018

Jenny Kelly
Assistant
P-54

Tiffany McNally
10309 Bernard Ave
May 11, 1990

156232

Dear President Bush,

Hello, I would like to tell you about my family. My two sisters and two brothers have a blood disease called Cyclic Neutropenia. Its a very rare disease. My father also has the blood disease. My mother and I don't have it. I was adopted into the McNally family. I have a birth defect called Fetal Alcohol Syndrome.

My real mother was an alcoholic. I was adopted when I was 2 yrs. old. Even though I was adopted into the McNally family, I feel that I really wasn't adopted because I've lived with them almost my whole life. I'm 13 yrs. old right now. I was born Sept. 1, 1976. The reason I was adopted was because my real mother abandoned me in a bar.

The reason I'm writing to you is that there should be more help for families like ours.

- ▲ Bangkok
- ▲ Singapore
- ▲ Hawaii
- ▲ Hong Kong
- ▲ Tokyo

→ on Saturday Eve. I will be in Bangkok

per Mike Branson

9/4/92

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	Tiffany McNally to POTUS; contains personal informatino. (1 pp.)	n.d.	P-6, (b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: Healthcare, Painesville, OH 9/5/92 [3]

Date Closed: 12/4/2004
FOIA/SYS Case #:
Re-review Case #: 2004-2265-S
P-2/P-5 Review Case #:

OA/ID Number: 07579

MR Case #:
MR Disposition:
Disposition Date:

Appeal Case #:
Appeal Disposition:
Disposition Date:

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advise between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

that have alot of medical bills,
and diseases and birth defects
It like the McNally family.

Sincerely yours,
Tiffany McNally

P.S. The secretary or person who
is reading this letter will
you please show it to the
President. I would really
like to talk to the President,
on phone, letter or maybe in
person.

Mr. President would you
please call?

I will be writing to you
more often hopefully we could
get to meet each other.

I know there are those who say this nation has seen its best day. They don't know the whole world still believes in America's magic. They don't see the whole world thinks America is just another way of saying ... the future.

Now that the entire world is turning our way -- toward free government, free markets, less bureaucracy, less red tape and more competition -- we can't turn back, and we won't stand still. America will move forward -- mold the future into a new American century.

~~We can do the work of the American people.~~ We can life this country to new heights, to new hope. And we will build the strong, secure America we want to pass on to our kids. //

Once again, my thanks for this warm Ohio welcome -- and may God bless the United States of America.

#

→ leading the world doesn't always happen overseas. It happens right here, in places like Painesville, where we lead the world by our example. ~~The world turns to us~~ ~~to see what we should do~~ [[Should our example be big government bureaucracies in health care -- or should it be the free markets that have won the world over? We lead the world by being the best America we can be, by remaining true to the bedrock principles that made us number one.]]

ED:

SEVERAL FACTS TO HUNT DOWN FOR HEALTH CARE:

- 1) LEGAL COMPONENT OF HEALTH CARE COSTS -- TO ADD ON PAGE 6.

WOULD V.P.'S COMPETITIVENESS COUNCIL HAVE THIS?

- 2) USA TODAY'S STORY QUOTING A CLINTON OPERATIVE (I THINK)
ADMITTING PLAY OR PAY WOULD BE DE FACTO NATIONAL HEALTH CARE
SYSTEM..... WE OUGHT TO USE THE DIRECT QUOTE.

THANKS

DMCG



13TH STORY of Focus printed in FULL format.

Copyright 1992 Gannett Company, Inc.
USA TODAY

February 18, 1992, Tuesday, FINAL EDITION

SECTION: MONEY; Pg. 3B

LENGTH: 494 words

HEADLINE: Rivals seek structural change // Clinton // Play-or-pay plan targets workers

BYLINE: Kevin Anderson

KEYWORD: HEALTH CARE REFORM: PRESIDENTIAL PRIMARY: BILL CLINTON: ELECTION ISSUE

BODY:

Arkansas Gov. Bill Clinton's proposal for health-care reform follows the play-or-pay strategy championed by Senate Democratic leaders.

Play-or-pay would require all employers to provide basic health benefits to all full-time and most part-time workers. Employers either could play by obtaining private coverage or else pay a percentage of their payroll into a public insurance system.

Anyone without access to private insurance could buy coverage from the public system for a percentage of their income. Several other features of the plan would bar insurers from rejecting people with health risks, reform insurance rating and marketing to make it more affordable for small groups and create national mechanisms to control health costs and spending.

The approach focuses on the fact that 60% of the 40 million U.S. residents without health insurance are in families with full-time workers. More than three-fourths of those work for firms of 25 employees or fewer. Small firms face the highest insurance costs because risk is spread over so few people.

Therein lies the big roadblock to play-or-pay: Small businesses are screaming that even with cheaper insurance policies, mandatory coverage would be their ruin and lead to massive job losses. Most play-or-pay plans thus try to soften the blow with phase-ins and a number of other compromises.

Some of those compromises, however, undercut the strategy. One bill before Congress, for example, exempts all employers with 10 or fewer employees - which is where half the problem of the working uninsured lies. Most would ease the blow by setting the pay tax on the low side. The Mitchell-Rockefeller-Kennedy-Riegle bill in the Senate is considering a tax of 7% to 9% of payroll, vs. the 11% to 14% of payroll larger employers pay for health benefits.

Critics of play-or-pay argue that setting the tax rate low enough to assuage small employers would lead other employers who now offer insurance to drop it. "If you want a national health-care system but don't want to say so, you advocate play-or-pay and set the rate so low that everyone eventually is driven into the national public system," says Dallas Salisbury, president of the Employee Benefit Research Institute.

Still, play-or-pay is the leading compromise between idealistic theories, and it is politically feasible. Advocates note that Hawaii has required employers to provide insurance since 1973 with no damage to small businesses.

Clinton's adoption of play-or-pay puts him in powerful company. And he has skirted the flaring debate by leaving specific rates and numbers out of his plan. His proposal, called the New Covenant, is "the beginning of the discussion, not the end," Clinton says.

However, he does fall into the trap of saying his reform will pay for itself right away with administrative savings. "You get those savings years down the road, but expanding coverage costs extra dollars today," Salisbury says.

SUBJECT: SERIES; HEALTH CARE; PRESIDENTIAL ELECTION; NEW HAMPSHIRE

NOTES: ANALYSIS; THE DEMOCRATIC CANDIDATES' HEALTH PLANS; HEALTH & MONEY; A continuing series; This series periodically looks at the economic and financial roots of the health-care system's problems and efforts to address them.

McGroarty/Walters
September 2, 1992
8:30 a.m.
[health]

PRESIDENTIAL REMARKS: HEALTH CARE
PAINSVILLE, OHIO
SEPTEMBER 5, 1992
10:00 A.M.

[Acknowledgements.] And of course, hats off to our hosts -
- Steve and Gretel Bencic. //

[[You've all seen Gretel's cake, but you may not know the story behind it. ___ years ago, when Gretel was only 2 years old, the war in Europe separated her from her family. The Red Cross came to Gretel's rescue -- so today she's returning the favor, to help the people of South Florida and Louisiana in their moment of need. That's the best in the American spirit: plenty of heart, always generous, always ready to help neighbors in need. //]]

[[It's great to be here in Painsville to help open this year's Oktoberfest. You've got the four basic food groups: Calories and cholesterol / bratwurst and beer. // And not one sprig of a certain green vegetable in sight.]]

I know the main attraction this morning is pancakes, not politics. So today I've set aside the standard Labor Day speech. I want to do something a little different -- I want to take a few minutes to speak to you about a serious matter, something you should be thinking about as you go into that voting booth November 3rd: About the way we can change America's health care system for the better. //

Think about the challenges we face as a nation: Anyone concerned about America's competitiveness has to see controlling

health care costs as key to a healthy economy. / Think about the concerns we have as parents: Health care -- for ourselves, for our kids -- has to top the list. //

Maybe you're worried about what happens to your health care if you change jobs -- or worse still, if you lose your job. Maybe you've got a child with a long-term illness. You're worried that if you leave your job -- even to take a better one -- you'll lose your health care. [[LETTER FROM CLEVELAND GIRL, TIFFANY MCNALLY, ON FAMILY'S HEALTH PROBLEMS....]] //

The one thing this crisis is not about is quality of care. American health care is first-rate, number one in the world. Let me share a few statistics: Since 1980, average life expectancy in America is up -- infant mortality is down. Deaths from heart disease are down. Deaths from stroke -- down. One big reason is the [xx] percent increase in federal medical research in everthing from Alzheimers to AIDS. //

And right now, the vast majority of Americans have access to this quality care system. But the cost we pay for health care has skyrocketed -- up more than 1000 percent. Maybe it won't surprise anyone who's made a trip to the pharmacy for prescription pills lately -- but America's annual health care costs have risen from \$74 billion dollars in 1970 to \$800 billion dollars today. And still, more than 30 million Americans have no insurance at all. //

I know some of the political pundits say that health care is a Democratic issue. Well, I don't believe that, and I'll tell

you why: We've got the compassion -- and the common sense -- to change our system for the better. Health care reform is a key part of my agenda for economic security. //

I listen to the American people. You want to know you've got insurance you can count on -- whether you keep your job / lose your job / or change your job. I don't hear you calling for higher taxes to finance a government take-over of our hospitals.

You see, I think that government is too big and it spends too much. Right now, the cost of health care eats up 13 percent of all the goods and services we produce. The last thing I want to do is put the government in charge of 13 percent more of the American economy. //

And yet that's what my opponents want: To nationalize our health care system. Put government in control: let government set prices, let government ration the kind of care people get -- how much, what kind, and when they'll get it. / Go the government route, and you know what we'll get: A health care system that combines the efficiency of the House Post Office with the compassion of the KGB. //

You know, that comparison made a few people hot under the collar. I even got one letter from Russia telling me: "Quit running down the KGB." //

Nationalize health care, and here's what we're in for: Long waiting lists for surgery -- shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. One example: Right now, the Cleveland Clinic performs 10 coronary

bypass surgeries a day. High tech, high quality surgery -- without any wait. But if you live across Lake Erie in Canada, the wait for coronary bypass surgery is six months. Need your tonsils out? Take a number: The waiting list in Canada is 3 and 1/2 months. //

And when you nationalize health care, you push costs higher -- a lot higher. According to some studies, nationalized health care would mean a whopping \$250 to \$500 billion dollars a year in new taxes. //

But you won't hear about higher taxes from the folks pushing that scheme. Ask them about the side-effects of their plan, and they just say: Take two aspirin -- and call me after the election. //

But there's another proposal out there that's every bit as harmful to the economy. Maybe you've heard of it -- it's called "Play or pay," and here's what it means: Each employer must "play" -- meaning: provide insurance for employees, or they can "pay" -- a payroll tax to finance government health coverage.

Well, Play or Pay will leave a lot of small businesses -- businesses that are the heartbeat of this American economy -- with a tough choice: One, cut workers' wages to pay for mandated health care. Two, fire some workers and use the savings to cover the rest. Or three: raise prices, and try to pass along the cost to the consumer. Some reliable studies say a 7 percent payroll tax will cost this country 700,000 jobs. Lower wages,

lost jobs, higher prices: Any way you look at it -- that's the wrong prescription for America. //

In the end, "Play or pay" is really no different from nationalized health care. I'm tempted to call it "pay and pay." It invites employers to stop offering health benefits, throw the problem in the government's lap, and dump millions of working Americans into a public plan like Medicaid. And because the new payroll taxes in Play or Pay can't possibly pay for the program - - you, the American taxpayer, will have to pick up the tab. //

The fact is: We can reform health care without pushing our economy into intensive care. // We start with these objectives: a health care system built on choice -- not government control. One that keeps costs down -- and opens up access. But above all, a health care system that gives all Americans real security -- security / that if they change jobs, if they or their kids develop serious health problems, they'll still be able to count on the coverage they need. //

My plan meets every one of these objectives.

We start ~~by~~ making health care more accessible -- by making health insurance more affordable. For low-income individuals and families, I propose a health insurance credit -- up to \$3,750 dollars a year to guarantee people, even people whose incomes are so low they don't have to file taxes, the ability to purchase private health insurance. For middle-income individuals and families -- all the way up to those making \$80,000 -- I propose a

health insurance tax deduction of \$3,750. All told, that's new help to purchase health insurance for 70 million Americans.

But best of all, my plan will bring health care coverage to almost 30 million uninsured Americans -- security to people who, for far too long, have had to do without. //

And as we open up health care to all Americans, we can cut runaway costs -- by making the system more efficient. The key is something we call Health Insurance Networks -- to pool small businesses that too often can't afford to offer health insurance to their workers, or worry that one worker's illness or accident could drive everyone's health insurance through the roof.

Insurance costs obey the "law of large numbers:" The larger the group being insured, the lower the cost per individual. Think of it this way: What kind of a deal can you get bargaining with the grocer to buy one box of cereal? Now let's say you got together with your everyone on your street, or better yet everyone in your town, and then went back to buy cereal? You'd drive a harder bargain and get a better price. The same thing works for health care.

We're also going to cut health care costs by wringing out waste and excess in the present system. That's why we've targetted malpractice insurance for reform. You shouldn't have to pay a lawyer when you go to the doctor. Right now, people are doing just that: High malpractice premiums mean higher doctors' bills, higher hospital costs -- costs passed along not only to the patient, but to every American taxpayer. [[Dollar figure?]]/

"large and low" -
larger the \$,
lower the \$.

~~I won't detail this morning the way the Health Insurance Networks I mentioned will generate greater savings by helping cutting red tape and paperwork -- the way we'll simplify and speed up claims processing, or bring the growth in government health programs under control.~~ But I will say this: If we made the changes I've talked about, my plan would save nearly 400 billion dollars in the next four years. //

~~Now I know: We can't do it all between now and November 3rd but we can make a start.~~ So today I challenge the Congress: Start with my small business reforms -- with the package that will mean affordable, quality health care for millions of Americans who don't have it now, and pass my plan. And I ask all of you here to join me -- tell the Congress it's time to act. //

You know, when you're President, you get a lot of advice -- from all over the country, from people of all ages. Here's one example, from a boy named Cory, 11 years old, on what a President should do when you're fighting with Congress, and you just can't get things done. Here's the quote: "Meet at the Capitol at midnight, and check the Constitution to see who's right." //

Well, if it gets things done ... maybe it's worth a try. /

And you don't have to check your copy of the Constitution to know how it begins. Three powerful words: "We the people...." Those three words define democracy -- light the way forward as the North Star of our American horizon.

~~to our~~ journey.

I know there are those who say this nation has seen its best day. They don't know the whole world still believes in America's magic. They don't see the whole world thinks America is just another way of saying ... the future.

Now that the entire world is turning our way -- toward free government, free markets, less bureaucracy, less red tape and more competition -- we can't turn back, and we won't stand still. America will move forward -- mold the future into a new American century.

~~We can do the work of the American people.~~ We can life this country to new heights, to new hope. And we will build the strong, secure America we want to pass on to our kids. //

Once again, my thanks for this warm Ohio welcome -- and may God bless the United States of America.

#

→ leading the world doesn't always happen overseas. It happens right here, in places like Painesville, where we lead the world by our example. ~~On the world stage~~ ~~to say should we~~ [Should our example be big government bureaucracies in health care -- or should it be the free markets that have won the world over? We lead the world by being the best America we can be, by remaining true to the bedrock principles that made us number one.]

Ed - Thanks Jim

McGroarty/Walters
September 2, 1992
3:00 p.m.
[health]

PRESIDENTIAL REMARKS: HEALTH CARE
PAINSVILLE, OHIO
SEPTEMBER 5, 1992
9:30 A.M.

[Acknowledgements.] And of course, hats off to our hosts -
- Steve and Gretel Bencic. //

I bring greetings today from your Governor and my good friend, George Voinovich. This is the first time he's missed out on Steve and Gretel's cooking since 1966 -- but he's got good reason today. Governor Voinovich is on a trade mission to South Korea -- opening new markets for Ohio goods, and creating new jobs for Ohio workers. //

[[You've all seen Gretel's cake, but you may not know the story behind it. I don't want to give away her age, but __ years ago, when Gretel was 2 years old, the war in Europe separated her from her family. The Red Cross came to Gretel's rescue -- so today she's returning the favor, to help the people of South Florida and Louisiana in their moment of need. That's the best in the American spirit: plenty of heart, always generous, always ready to help neighbors in need. //]]

And after xxxx thousand Meals Ready to Eat, we may just airlift Gretel's cake to Miami to take care of desert. //

[[And I want to salute today the contingents of Ohio's finest -- Ohio National Guard units xxxx and xxx, on route now to southern Florida.]]

It's great to be here in Painsville to help open this year's Oktoberfest. You've got the four basic food groups: pancakes and syrup / bratwurst and beer. // And not one sprig of broccoli in sight. //

This festival has always been a celebration of cultures -- but this year, in a very special way, it is a celebration of the spirit. We've witnessed a world of change. Across Europe, across continents, from Managua to Moscow, millions of men and women now celebrate a new birth of freedom. For the people here today -- people who came to America from the Old Country -- who prayed for this day to come, the change we've witnessed -- this change we've worked for -- is a miracle come true.

There are those -- to quote the poet -- who will say that the liberation of humanity, the freedom of man and mind, is nothing but a dream.

And they are right. / It is the American Dream.

Today, our challenge is to bring that spirit home -- home from the towns your parents and grandparents were born in, to this new world we call America. To focus this great nation on the new mission at hand. //

I know the main attraction this morning is pancakes, not (politics). So today I've set aside the standard Labor Day speech. I want to do something a little different -- I want to take a few minutes to speak to you about a serious matter, something you should be thinking about as you go into that voting booth

November 3rd: About the way we can change America's health care system for the better. //

Think about the challenges we face as a nation: Anyone concerned about America's competitiveness has to see controlling health care costs as key to a healthy economy. / Think about the concerns we have as parents: Health care -- for ourselves, for our kids -- has to top the list. //

Maybe you're worried about what happens to your health care if you change jobs -- or worse still, if you lose your job. Maybe you've got a child with a long-term illness. You're worried that if you leave your job -- even to take a better one - - you'll lose your health care. [[LETTER FROM CLEVELAND GIRL, TIFFANY MCNALLY, ON FAMILY'S HEALTH PROBLEMS....]] //

HK The one thing this crisis is not about is quality of care. American health care is first-rate, number one in the world. Since 1980, average life expectancy in America is up -- infant mortality is down. Deaths from heart disease are down. Deaths from stroke -- down. One ~~big~~ reason is the [xx] percent increase in federal medical research in everthing from Alzheimers to AIDS.

And right now, the vast majority of Americans have access to this quality care system. But the cost we pay for health care has skyrocketed. Maybe it won't surprise anyone who's made a trip to the pharmacy for prescription pills lately -- but HK America's annual health care costs have risen from \$74 billion dollars in 1970 to \$800 billion dollars today. And still, more than 30 million Americans have no insurance at all.

Commerce! Industrial Outlook

HK And don't kid yourselves. We all pay for high health care costs -- more than once. High health costs are a drag on our economy -- drive up the deficit -- and soak up money we need for other vital public programs. //

Back in Washington, some of the political pundits say that health care is a Democratic issue. Well, I don't believe that, and I'll tell you why: We've got the compassion -- and the common sense -- to change our system for the better. Health care reform is a key part of my agenda for economic security. //

I listen to the American people. You want to know you've got insurance you can count on -- whether you keep your job / lose your job / or change your job. I don't hear you calling for higher taxes to finance a government take-over of our hospitals.

HK You see, I think that government is too big and it spends too much. Right now, the cost of health care eats up 13 percent of all the goods and services we produce. The last thing I want to do is put the government in charge of 13 percent more of the American economy. //

And yet that's what some people want: To nationalize our health care system. Put government in control: let government set prices, let government ration the kind of care people get -- how much, what kind, and when they'll get it. / Go the government route, and you know what we'll get: A health care system that combines the efficiency of the House Post Office with the compassion of the KGB. //

You know, that comparison made a few people hot under the collar. I even got one letter from Russia telling me: "Quit running down the KGB." //

Nationalize health care, and here's what we're in for: Long waiting lists for surgery -- shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. One example: Right now, the Cleveland Clinic performs 10 coronary bypass surgeries a day. High tech, high quality surgery -- without any wait. But if you live across Lake Erie in Canada, the wait for coronary bypass surgery is six months. Need your tonsils out? Take a number: The waiting list in Canada is 3 and 1/2 months. //

And then there's the cost. ~~According to some studies,~~ *It is clear that* nationalized health care would mean a whopping \$250 to \$500 billion dollars a year in new taxes. *HK* //

But you won't hear about higher taxes from the folks pushing that scheme. Ask them about the side-effects of their plan, and they just say: Take two aspirin -- and call me after the election. //

But there's another proposal out there that's every bit as harmful to the economy. Maybe you've heard of it -- it's called "Play or pay," and here's what it means: Each employer must "play" -- meaning: provide insurance for employees, or they can "pay" -- a payroll tax to finance government health coverage.

Well, Play or Pay will leave a lot of small businesses -- businesses that are the heartbeat of this American economy

-- with a tough choice: One, cut workers' wages to pay for mandated health care. Two, fire some workers and use the savings to cover the rest. Or three: raise prices, and try to pass along HK the cost to the consumer. Some reliable studies say a 7 percent payroll tax will cost this country 700,000 jobs. Higher prices, lower wages, lost jobs: Any way you look at it -- that's the wrong prescription for America. //

In the end, "Play or pay" is really no different from nationalized health care. I'm tempted to call it "pay and pay." It invites employers to stop offering health benefits, throw the problem in the government's lap, and dump millions of working Americans into a public plan like Medicaid. And because the new payroll taxes in Play or Pay can't possibly pay for the program - you, the American taxpayer, will have to pick up the ^(rest of?) tab. HK //

The fact is: We can reform health care without pushing our economy into intensive care. // We start with these objectives: a health care system built on choice -- not government control. One that keeps costs down -- and opens up access. But above all, a health care system that gives all Americans real security -- security / that if they change jobs, if they or their kids develop serious health problems, they'll still be able to count on the coverage they need. //

My plan meets every one of these objectives.

We ^{can} start ~~by~~ making health care more accessible -- by making health insurance more affordable. For low-income individuals and families, I propose a health insurance credit -- up to \$3,750

dollars a year to help people buy private health insurance. Middle-income individuals and families -- all the way up to those making \$80,000 -- will get a health insurance tax deduction. All told, that's new help to purchase health insurance for 70 million Americans.

Take a family of two parents with a child: One working parent -- employed by a company that doesn't provide health coverage. That family's total income is \$10,000~~00~~ -- low enough to put them under the poverty line, but high enough to make them ineligible for Medicaid. / Right now, that family falls through the cracks* -- can't afford any health care coverage at all.

Under my plan, that would change: this family would qualify for \$3750 health care credit -- payable to the health care insurer of their choice. //

All together, my plan will bring health care coverage to almost 30 million uninsured Americans -- security to people who, for far too long, have had to do without. //

And as we open up health care to all Americans, we can cut runaway costs -- by making the system more efficient. The key is something we call Health Insurance Networks -- to pool small businesses that too often can't afford to offer health insurance to their workers, ^{or can't get the breaks the "big guys" get.} [or worry that one worker's illness or accident could drive everyone's health insurance through the roof.]

Insurance costs obey the "law of large numbers:" The larger the group being insured, the lower the cost per individual. Think of it this way: What kind of a deal can you get bargaining

with the grocer to buy one box of cereal? Now let's say you got together with everyone on your street, or better yet everyone in your town, and then went back to buy cereal? You'd drive a harder bargain and get a better price. The same thing works for health care.

We're also going to cut health care costs by wringing out waste and excess in the present system. That's why we've targetted malpractice insurance for reform. You shouldn't have to pay a lawyer when you go to the doctor. Right now, people are doing just that: High malpractice premiums mean higher doctors' bills, higher hospital costs -- costs passed along not only to the patient, but to every American taxpayer. ^{health costs} [(Last year alone, legal costs inflated our ~~doctors bills~~ by xx billion dollars.)]

Some I know are sceptical -- they think the savings won't add up. But I can tell you, when each year's health care costs total more than what we spend on our kids' education and our country's national defense -- combined -- even small changes can save us billions.

I won't detail this morning the way the Health Insurance Networks I mentioned will save money by helping cut red tape and paperwork -- the way we'll simplify and speed up claims processing, or bring the growth in government health programs under control. But I will say this: If we made the changes I've talked about, my plan would save nearly 400 billion dollars in the next four years. //

500 bil
total
lit. cost to
society

HK
206 bil.
HK-ANA

(Now I know: We can't do it all between now and November 3rd -- but we can make a start.) So today I challenge the Congress: Start with my small business reforms -- with the package that will mean affordable, quality health care for millions of Americans who don't have it now, and pass my plan. And I ask all of you here to join me -- tell the Congress it's time to act. //

You know, when you're President, you get a lot of advice -- from all over the country, from people of all ages. Here's one example, from a boy named Cory, 11 years old, on what a President should do when you're fighting with Congress, and you just can't get things done. Here's the quote: "Meet at the Capitol at midnight, and check the Constitution to see who's right." //

Well, if it gets things done ... maybe it's worth a try. /

I know there are those who say this nation has seen its best day. They don't know the whole world still believes in America's magic. They don't see the whole world thinks America is just another way of saying ... the future.

Now that the entire world is turning our way -- toward free government, free markets, less bureaucracy, less red tape and more competition -- we can't turn back. America will move forward -- mold the future into a new American century.

(We can do the work of the American people.) We can lift this country to new heights, to new hope. And we will build the strong, secure America we want to pass on to our kids. //

Once again, my thanks for this warm Ohio welcome -- and may God bless the United States of America.

**OHIO DEPARTMENT OF DEVELOPMENT**George V. Voinovich
GovernorDonald E. Jakeway
Director**FACSIMILE COVER SHEET**

TO: MR. DAN Mc GROUTY

FROM: MS. TERI ALBRIGHT
INT'L TRADE DIVISION

DATE: Sept. 2, 1992

RE: AttachedNUMBER OF PAGES INCLUDING COVER SHEET: 5

ADDITIONAL COMMENTS:

THESE ARE FROM MR. DAVID HARPLEY,
DEPUTY DIRECTOR OF INT'L TRADE.

For further assistance with this transmission, please contact:

TERI at (614) 466-4454

FAX #: (614) 463-1540

77 S. High St., P.O. Box 1001, Columbus, Ohio 43266-0101 (614) 466-2480

OHIO EXPORT FACTS

- Ohio's direct and indirect* exports total \$25.8 billion, (MANUFACTURED PRODUCTS) comprising 6.3 percent of the state's economy.
- Ohio is the nation's third largest exporter of manufactured goods, following California and Texas.
- One of every seven Ohio manufacturing jobs are related to exporting.
- Ohio ranks fourth among all states in the number of jobs related to the export of manufactured goods. The total jobs being over 312,000.
- Ohio's direct exports increased by 19% from 1989 to 1990.
- Ohio's top 5 trading partners are Canada, France, Japan, United Kingdom and Germany.
- Ohio's top export industries in 1990 were:

Transportation	\$5.4 billion
Industrial Machinery/ Computer Equipment	\$3.0 billion
Chemicals & Allied Products	\$1.7 billion
Electronic, Electric Equipment	\$924 million
Fabricated Metal Products	\$696 million
- Ohio's primary export, transportation equipment, accounted for 34.1% of it's total exports.
- Ohio ranks first in the U.S. in shipments of stone/clay/glass products, and rubber/plastics products.
- Ohio companies shipped exports to 172 foreign destinations in 1990.
- Ohio companies create/retain one job for every \$40,000 in export sales.

*Indirect exports refer to parts and supplies which are incorporated into the final export product.

Revised 11/91

OHIO - JAPAN TRADE FACT SHEET

- Ohio firms exported a total of \$16.9 billion worth of goods in 1991--a 7% increase over 1990 exports of \$15.8 billion.

- Exports account for 300,000 jobs in Ohio, or 6.3 percent of the state's total work force.

- Japan is Ohio's second largest export market. \$1.7 billion worth of Ohio products were shipped to Japan in 1991, up from \$1.3 billion in 1990.

- Ohio ranks 7th among U.S. states in exports to Japan.

- Ohio's top exports to Japan by rank order are:

- * Chemicals and Allied Products
- * Transportation Equipment
- * Industrial Machinery and Computer Equipment

- Japan is Ohio's second largest market for agricultural exports. Ohio firms exported \$47.5 million worth of agricultural goods to Japan in 1991.

- Ohio's top two agricultural exports to Japan in rank order are:

- * Lumber and Wood Products
- * Food and Kindred Products

Lumber and wood products represented 40 % of Ohio agricultural exports to Japan, crops 33% and processed foods 26%.

- Seventy-three major Ohio companies have operations in Japan, including:

- * TRW
- * Proctor & Gamble
- * Cincinnati Milacron
- * NCR
- * The Austin Companies

- 230 Japanese firms have made Ohio their home, with a total investment of \$11 billion and over 35,000 jobs.

- Honda of America Manufacturing (HAM), with a capital investment of \$2.2 billion and 10,500 associates began exporting Ohio-made cars to Japan in 1989. Last year they shipped 18,000 vehicles to Japan. HAM supports 237 domestic suppliers.

Prepared by the International Trade Division, Ohio Department of
Development
August 1992

OHIO - CANADA TRADE FACTS

- Canada is Ohio's largest export market. Exports to Canada in 1990 accounted for 46% of Ohio's total exports.
- Ohio's exports to Canada in 1990 totaled \$7.3 billion, nearly six times the value of exports to Ohio's second largest trading partner France.
- Exports to Canada support approximately 154 thousand jobs in Ohio.
- Ohio's exports to Canada account for approximately 7% of total U.S. exports to Canada.
- In 1990, Ohio was the second largest exporter of goods to Canada of all 50 states.
- Canada is the leading importer of Ohio products from nearly every industry sector.
- Ohio's top industries for export to Canada in 1990 were

Transportation equipment	\$ 1.1 billion
Industrial machinery/computers	\$ 1.0 billion
Chemical products	\$ 800 million
Primary metal products	\$ 700 million
Electric and electronic equipment	\$ 600 million

- Effective 1 January 1993, the U.S. - Canada Free Trade Agreement will reach its halfway point. On this date, the second of three major tariff classifications will be granted duty-free status. Tariffs will remain only on the most sensitive goods traded between the two countries. These remaining tariffs will decrease to zero over the next five years.

OHIO'S NAFTA EXPORT FACTS

- Ohio exported \$16.9 billion dollars worth of goods to the world in 1991.
- Ohio exported \$581.8 million to Mexico in 1991. This accounts for 3.4% of Ohio's total exports to the world.
- Ohio's exports to Mexico rose 137% from 1987 to 1991, 70 percentage points faster than export growth to the rest of the world.
- Mexico ranked SIXTH among Ohio's 177 export markets in 1991. Canada was Ohio's top trading partner.
- Ohio was the 9th largest exporter of all the states to Mexico in 1991.
- Ohio's top export industries to Mexico for 1991 were:

Computer and Industrial Machinery	\$184.0 million
Chemical Products	\$103.1 million
Rubber and Plastic Products	\$47.7 million
Electric and Electronic Equipment	\$44.9 million
Transportation Equipment	\$39.5 million
- Ohio's primary export to Mexico, Computers and Industrial Machinery, accounted for 35% of its total Mexican exports.
- Ohio was the fifth largest exporter of Computer and Industrial Machinery to Mexico, following Texas, California, Illinois, and Michigan.
- The following export industries in Ohio probably would benefit from a North American Free Trade Agreement with Mexico: Computers and Industrial Machinery, Autos and Auto Parts, Chemicals, and Rubber and Plastic Products.
- A NAFTA agreement would adversely affect labor-intensive industries and the following Ohio export industries: Glassware, Textiles and Apparel, and Fruits and Vegetables.

BACKGROUND

Issues Office

July 28, 1992

BUSH AND CLINTON ON WOMEN'S HEALTH ISSUES

- o Today, Bill Clinton will travel to the LaGrange Hospital in Chicago to talk about women's health issues. Fortunately for Clinton, he will leave his legacy of health care neglect in Arkansas far behind.
- o Clinton will talk about the need to expand research on breast and cervical cancer. But, it's doubtful whether he will endorse the President's historic \$410 million increase in funding for breast and cervical cancer prevention; or that he would talk about the fourteen-fold increase in breast cancer screening grants since 1990; or the \$99 million the President has proposed for early detection among low-income women.
- o Clinton will talk about fairness in health care, but forget to mention that under his leadership, Arkansas' death rate is 18% higher than the national average. Clinton will talk about helping low-income families, but he will fail to mention that President Bush supported and signed legislation to require health care coverage for low-income pregnant women, and children up to age six.
- o Regardless of Clinton's attacks, the fact remains that this year, thanks to the President's actions, 5.3 million women are receiving cancer detection tests. Meanwhile, the most Clinton can say is that under his stewardship, Arkansas is the 46th state in the nation in health insurance coverage.
- o Clinton will likely talk about the need to coordinate research on women's issues, but he will forget to say that under President Bush, the National Institutes of Health (NIH) established the Office of Research on Women's Health to focus research on the most pressing women's health concerns; and created the Women's Health Initiative -- an unprecedented study of the causes of death among American women.
- o Clinton will talk about the need to help women during pregnancy and after delivering a child. But, here again, Clinton will not talk about President Bush's Healthy Start Initiative to fight infant mortality, and the 123% funding increase the President has proposed. Clinton will also overlook his failure to lower Arkansas's infant mortality rate (34th out of 51 states and D.C.) below the national average.
- o While Clinton gets first-hand advice on women's health issues, from just one women appointee, the President can seek advice on a daily basis from at least four women health professionals including the Surgeon General, the Director of NIH, and two senior White House policy-makers who previously held top-level positions at the Department of Health and Human Services.

TALKING POINTS

August 8, 1992

Issues Office



PRESIDENT BUSH ON MENTAL HEALTH

- o With the direction of the President the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) at HHS has developed a major reorganization plan to enhance basic research and provide more effective targeting of preventive and treatment services to the people who need them most.
- o Proposed funding of direct program activities for mental health at HHS is \$675 million for 1993. Funding in 1991 was \$622 million. Other funding is provided for grants to States and treatment programs.
- o The President's Committee on Mental Retardation (PCMR) focuses on the needs of the more than seven million Americans of all ages that experience mental retardation. The PCMR acts in an advisory capacity to the President and the Secretary of Health and Human Services on matters relating to programs and services for persons with mental retardation, coordinates Federal agency activities in mental retardation, conducts studies of existing programs, highlights the need for changes, where appropriate, and promotes research.
- o The Administration of Developmental Disabilities (ADD) is responsible for planning and carrying out programs which promote self-sufficiency and protect the rights of nearly four million Americans with developmental disabilities. The President supports the actions of ADD through funding of grants programs (\$109.5 million in 1992) to work with States, communities and the private sector to increase the social and economic integration of individuals with developmental disabilities. The programs address prevention, diagnosis, early intervention, therapy, education, training, employment, community living and leisure activities.
- o Under President Bush's direction the Department of Veterans Affairs is providing a complete range of inpatient and outpatient medical care for Vietnam veterans, as well as special programs for post-traumatic stress disorder. The program is community based and veteran staffed and offers assistance to Vietnam veterans and their families with post-war readjustment and the psychological after-effects of duty in a combat zone.
- o The President has worked aggressively to raise public awareness of the problem of abuse and neglect of children, to identify the knowledge gaps, to formulate a research agenda for the future, and to support innovative prevention and other service-oriented projects.

FACT SHEET

Issues Office

BUSH
QUAYLE
92

August 2, 1992

PRESIDENT BUSH'S PLAN FOR COMPREHENSIVE HEALTH CARE REFORM

"[M]y plan will preserve what works and reform what doesn't. We stand at a crossroads. We can move forward dramatically to reform our market-based system or we can force ourselves to swallow a cure worse than the disease."

-- President George Bush
State of the Union Address
January 28, 1992

Summary: The Need for Change and the Objectives of Reform

- o Our Nation's health care system is at a crossroads. Change is needed. Most Americans appreciate the fact that America has the highest quality care in the world, but many citizens are worried that they cannot afford that care.
- o President Bush understands these concerns and has laid out a health care reform plan that will make quality care accessible by making it affordable. For families worried about the rising cost of care, the President's plan provides financial help for those who lack insurance and attacks the sources of increasing costs.
- o Three principles govern President Bush's approach to health care:
 - 1. Health care insurance must be affordable;
 - 2. Care must be available;
 - 3. America must retain the highest quality health care in the world.
- o President Bush's reform plan puts these principles to work: reducing the concerns of working Americans about the cost of health insurance and improving access to care for all Americans.
- o At the same time, the President believes that health care reforms must be accomplished in a way that does not impede economic growth and cause working Americans to lose their

jobs. American families need new security from health costs; however, they also need the security that comes from a growing economy that creates jobs. Unlike the Democrats' plans, the President's health care reforms will neither sap economic growth with new taxes, nor stop job creation.

- o Any real health care reform must preserve and build on the present system's strengths, especially the high quality care and incentives for breakthrough technologies that make America's health system the most innovative and dynamic in the world. Unfortunately, both the play-or-pay or national health insurance proposals backed by most Democrats, would threaten the availability of quality care.
- o The Democrats' health schemes would, in essence put federal bureaucrats in charge of health care, letting them decree from Washington the availability of different treatments and the overall quality of care. This centralized government control of health care would mean long waiting periods for routine surgery, as in Canada, and less room for individual decision making.
- o The President firmly believes that working Americans and their families should not have so personal an issue as health care controlled by federal bureaucrats. Rather, the President's plan is based on choice -- letting Americans decide for themselves which health plan they want. The President's plan preserves choice for all Americans, and gives choice to low- and moderate-income Americans by providing tax credits that will enable those families to afford basic, quality care.

President Bush's Comprehensive Plan: Key Features

- o The President's plan addresses the two major problems facing the U.S. health care system -- the inadequate access of too many working Americans to quality care and the increasing cost of health care coverage.
- o President Bush's plan would make available to moderate and low income families a transferable health insurance tax credit or tax deduction (up to \$3,750) to cover health insurance costs. The credit or deduction will be available to those without insurance and to those whose employer contributes less than \$3,750 towards the cost of an insurance plan. When fully implemented, approximately 95 million Americans would receive financial assistance.
- o The President's plan would eliminate the problematic "job-lock" that keeps Americans from moving from one job to another for fear that their new employer's plan has pre-existing conditions clauses that will leave them without needed coverage.

- o The President's plan would increase working Americans' access to care by helping small businesses to buy coverage for their employees. Small businesses would be grouped into new Health Insurance Networks (HINs) available to pool resources and risks -- lowering the cost of care for employers and expanding the availability of care for employees.
- o To contain health care costs, the President's plan calls for:
 - Medical malpractice reform to end needless lawsuits that drive up insurance and drive out needed doctors;
 - Expanded use of coordinated care to better pool resources and diagnose conditions, encourage preventive care, and use the least costly, most effective treatments;
 - Reducing administrative costs by more than 25 percent through reforms of the insurance market and automating paperwork. Innovations in the way health care is provided will put 21st century technology to work in eliminating costly paperwork. This will include electronic billing for providers and electronic benefit cards for policyholders.
- o Under the President's plan consumers would have greater access to information that will help them decide which health insurance policy is best for their needs, as well as information which will help them decide where they can get the best treatments at the least cost. Greater consumer knowledge in these areas will go a long way toward controlling overall costs by limiting the influence of doctors and insurance companies who have an interest in raising costs.
- o In recognition of the clear advantages of aggressive prevention activities, the President's FY93 Budget places a major emphasis on preventative care with an increase of nearly \$4 billion.
- o Finally, President Bush's plan encourages States to implement coordinated care Medicaid programs to increase the efficiency of care delivered to the poor, while helping States to redesign their entire health care systems to benefit everyone.

Advantages of the President's Plan

- o The President's health care plan is comprehensive. It will control rising costs, extend coverage to working Americans facing costly premiums, and improve access to quality care for all Americans -- without raising taxes.

- o The President's plan eliminates "job-lock" giving working Americans the security to move to another job without fear of losing insurance coverage for themselves and their families.
- o The President's plan will help small businesses provide health insurance to their employees by making it easier for them to compete in the insurance market. Unlike Democratic plans, these reforms will neither impose costly new mandates nor require new tax increases.
- o The President believes that the price of health care reform must not be costly regulation, reduced economic growth and fewer jobs. Rather, health care reform can and should work alongside efforts to spur economic growth. The President's plan achieves this goal. For example, in making it easier for small businesses to provide affordable health care, the President's plan will reduce small business' labor costs and facilitate new job creation.
- o President Bush's plan rejects government-run health insurance schemes that will require massive new tax increases on all Americans. The President is opposed to creating a whole new area of federal control and bureaucracy. Working Americans, he believes, are best able to decide for themselves and their families which doctors to see and which insurance plans to buy.
- o The President's plan will control health care costs which have been worsened by the unrestrained growth in government health programs and uncontrolled medical malpractice suits.

Ensuring Affordable Health Coverage

- o The President's plan will make health care accessible by making insurance affordable. Under the President's plan, millions of American families would be able to deduct all of their health insurance costs, up to \$3,750 annually. This deduction, which would be available to every American family earning \$80,000 or less, would help 95 million Americans each year.
- o The President's plan will also guarantee access to health insurance for middle-income working families and individuals through a health insurance tax credit. The tax credit would cover health insurance costs up to \$1,250 for individuals, \$2,500 for married couples, and \$3,750 for families of three or more.
- o If this credit were in effect today, a family of four earning \$30,000 would be able to deduct (or receive a credit) up to \$3,750 in health insurance costs -- fully 12% of taxable income. In 1990, private health insurance costs averaged

\$1,181 per capita. Thus, with the President's deduction of up to \$3,750, virtually all Americans who lack insurance -- including individuals, couples, and families -- can have their health insurance costs covered by the President's deduction.

- o The President's plan will also help self-employed individuals, who until now have only been able to deduct one-quarter of their health insurance costs. Under the President's plan, the self-employed will now be able to deduct 100% of their health insurance costs, or receive the applicable tax credit.

Levelling the Playing Field for Small Businesses and Consumers

- o Until now, small businesses have been at a competitive disadvantage in the insurance marketplace. The President's plan encourages small businesses to form Health Insurance Networks. These HINs will encourage small businesses to pool resources, enabling them to purchase low cost, high quality health insurance. The President's proposal also exempts insurance sold through HINs (as well that sold outside of HINs) from costly state-imposed mandates and excessive state premium taxes.
- o The President's plan ensures that states will develop packages of basic benefits, and will guarantee that similar businesses buying similar insurance policies pay comparable premiums, regardless of how sick their employees are. No longer will small employers find that one sick employee or one employee with a sick child makes insurance unaffordable.

Improving Access to Care for the Under-Served

- o The President's plan would expand services in under-served rural and inner-city areas. President Bush's budget expands funding for Community Health Centers, Migrant Health Centers and the National Health Service Corps to increase the availability of prenatal and preventive care. The funding increased 42% from FY1989-FY1993 for the Centers, with \$684 million proposed for FY1993. The Corps' budget increased by 150% during the same period with \$120 million requested for 1993.
- o The lack of available services in rural and inner-city areas is due in no small part to abusive medical malpractice suits. Reducing these lawsuits and premium costs will bring more physicians and preventive care to under-served communities. To accomplish this, the President has proposed a Medical Malpractice Reform bill which could lower premium costs in rural areas and inner-cities by removing incentives to file huge damage claims. Unfortunately, though an entire year has passed, the Democratic-controlled Congress has still not acted on this important legislation.

Retaining Quality Health Care

- o Americans enjoy unparalleled access to sophisticated diagnostic and therapeutic technology that can make the critical difference between health and disability or life and death. The Democrats' health plans, which would result in unnecessary governmental price regulation and rationing of health care services, could retard the continued growth in new technologies by U.S. companies.
- o The President's plan reinforces our commitment to advances in biomedical research that can improve the quality of health care while saving billions in health costs.

Preventive Care and the Culture of Responsibility

- o The President's plan is designed not only to reduce the cost of care, but also encourage preventive care -- an investment in quality of life and in lower health costs. For instance, every dollar invested in the workplace for blood pressure screening and counseling programs could save two dollars in health and labor costs.
- o To support the President's focus on prevention, his budget for FY1993 totals nearly \$9 billion. Initiatives by the President include a 52% increase in funding for breast and cervical cancer screening.
- o About half of the 2.2 million deaths which occur in the U.S. every year are potentially preventable, as are many of the illnesses that afflict millions of Americans. To address this, the President's health plan covers prevention activities such as:
 - Vulnerable populations at high risk of preventable disease;
 - Primary care availability to disadvantaged or geographically isolated Americans; and
 - Measures to encourage healthier lifestyles.

Controlling Excessive Growth in Health Care Costs

The President's plan will bring the spiralling costs of federal health care programs under control in a number of ways:

- o Administrative Costs: Standardized claims procedures and reduced paperwork will reduce administrative costs. In December 1990, the Health Care Financing Administration finalized its HCFA-1500 claim form, which is used for physician and outpatient services, and wide acceptance is

expected. Similar efforts have led to near universal acceptance of the UB-82 as the standard form for inpatient hospital bills. Such uniformity can particularly help small businesses, for whom administrative costs consume as much as 40% of overall insurance costs. The pooling of small businesses into health insurance networks (HINs), or group purchasing associations, will reduce administrative costs for small group coverage by an average of 40 percent.

- o Applying Private Sector Cost Controls: The President believes that the private sector is capable of developing many new ways to reduce costs, including new coordinated arrangements between insurers and health care providers. The President believes government programs should learn from such private sector innovations, and apply them to reduce government costs. This can include the use of coordinated care arrangements such as preferred provider organizations, health maintenance organizations, and point of service plans that allow individuals to choose between PPO and HMO options.
- o Medical Malpractice Reform: Defensive medicine, the practice of ordering numerous expensive tests or prescribing expensive treatments to avoid the possibility of a medical malpractice suit, has fueled growth in health insurance premiums. The President's plan includes a comprehensive liability reform plan that will move cases out of court and eliminate the effect of unjustifiably large jury awards, which raise premium costs and encourage defensive medicine. By restoring insurance affordability, the President's plan will also increase access to care in poor and rural areas now underserved due to the threat of large malpractice awards.
- o Removing Costly Regulation: The President is proposes to eliminate current federal rules which restrict the use of private sector initiatives such as coordinated care, as well as ending costly benefit mandates imposed by states.

Problems With Alternative Approaches

- o The Canadian health care system, typical of a government-run national health care system, suffers from basic structural flaws that are bound to lead to long term problems with cost, access, and quality.
 - Patients must endure long lines and wait for surgery and access to advanced technology. High quality care is rationed by limiting physician access to new, life-saving technologies. In British Columbia, for example, it takes an average of 6 months to get a coronary bypass, 3.5 months to get a tonsillectomy, 4 months to get a hysterectomy. For speedy and quality care, many Canadians simply go to the United States.

- Neither providers nor consumers have incentives for efficiency or to control costs. Under Canada's National Health Care System, costs are growing faster than in the United States.
- Instead of making their own choices, consumers under the Canadian model are forced to rely on government bureaucrats to make their health care choices.
- A Canadian-style plan would require from \$250 billion to \$500 billion a year in new taxes.
- o The play-or-pay approach would require employers to provide private insurance for workers and dependents, or pay a payroll tax of 7 to 9 percent of wages to fund public insurance for their workers and dependents. Upon enactment, 59 million privately-insured Americans would fall into the public plan and as employers chose the artificially-cheap government plan. Play-or-pay would quickly lead to most Americans being in a government-run health plan.
 - This approach would hurt workers by increasing unemployment and forcing employers to cut wages to offset mandated costs. Play-or-pay is, in effect, a tax on wages. The 7 to 9 percent payroll tax that a play-or-pay health plan requires would result in a pay cut of \$1,680 a year for the average 30-year old male high school graduate, currently earning \$24,000 a year in wages, and a pay cut of \$1,260 a year for the average 30 year old male high school dropout, currently earning \$18,000 a year in wages.
 - An Office of Management and Budget study concluded that a Clinton-style play-or-pay health care plan would cause as many as 700,000 jobs to be lost. An independent study by CONSAD Research Corporation showed that 9.1 million jobs would be put at risk as employers inevitably would shift the burden of such mandated costs to their employees lowering wages or costing jobs.
 - Many businesses that have low profitability and are engaged in highly competitive markets may fail as a result of the payroll tax increases needed under play-or-pay. Small business would suffer disproportionately.
 - Play-or-pay is structurally unsound and would cascade into a form of national health insurance. This mandate would give rise to a vast new federal health insurance program, four times as large and unwieldy as Medicaid and inadequately funded.

- Play-or-pay is not self-financing and would increase costs for government over and above the new payroll tax receipts. A federal subsidy would be needed in addition to the 7 to 9 percent payroll tax to fund the gap between payroll tax receipts and actual costs; this gap likely would grow rapidly. At least \$37 billion per year in additional taxpayer-financed subsidies would be required in the first year to adequately fund the public plan.

#

BACKGROUND

Issues Office

August 2, 1992

PRESIDENT BUSH: THE RIGHT ANSWERS ON HEALTH CARE

George Bush has the right answers on health care: completely overhaul private insurance and keep health care choices in the hands of the people, not the government's.

- o The President's plan cures the major problems with the present system -- access and affordability -- while preserving the high quality of care Americans now enjoy. It will solve real problems, and solve them faster than anything Bill Clinton has proposed.

President Bush's plan:

- o Provides secure coverage to all Americans. "Preexisting condition" limits are eliminated when people change jobs. The fear of "job lock" -- where a worker can't move to another job without losing insurance -- is eliminated.
- o Makes insurance more affordable. Over 95 million Americans will benefit from tax credits and deductions to offset health insurance costs.
- o Reduces red tape and administrative costs through streamlining the current paperwork maze, and forcing all insurers, doctors, and hospitals to use the same form.
- o Revolutionizes private insurance by eliminating their ability to "cherry-pick" or cancel insurance when claims are filed. The President's plan helps small businesses and individuals afford coverage, giving them the buying power of large groups.
- o Reforms malpractice laws to get lawyers out of the middle of medical care and reduces health costs due to "defensive" medicine.
- o Expands services in underserved areas. Rural America has a shortage of doctors and clinics. The President's budget expands funding to provide more care in these areas.

The President has already sent four bills to the Congress to implement his small business insurance, consumer information, and medical malpractice reforms.

The President's plan does not:

- o Raise taxes or cost jobs by burdening small business with new mandates;
- o Create a system of government health insurance or a huge new government bureaucracy to regulate prices and ration health care.

BACKGROUND

August 2, 1992

Issues Office

CLINTON'S PLAY-OR-PAY HEALTH PLAN: PRESCRIPTION FOR DISASTER

Bill Clinton's play-or-pay health care plan will impose new tax and spending increases; major new mandates on American businesses, costing jobs and reducing wages; and a government health insurance system with a huge new government bureaucracy.

- o Taxes and spending: Play-or-pay will require at least \$80 billion in new taxes, and according to the Congressional Budget Office, will cost a total of \$197 billion over four years.
- o Jobs lost: An Office of Management and Budget study concludes that the 7 percent payroll tax required to cover play-or-pay costs would cause as many as 700,000 jobs to be lost.
- o Reduced wages: The 7 percent payroll tax that a play-or-pay health plan requires could result in a pay cut of \$1,680 a year for the average 30-year old male high school graduate, currently earning \$24,000 a year in wages, and a pay cut of \$1,260 a year for the average 30 year old male high school dropout, currently earning \$18,000 a year in wages.
- o Play-or-pay would hurt business investment in new jobs and better products. If companies do not reduce wages, play-or-pay taxes and mandates would have to consume corporate profits, thus harming their competitiveness. In short, play-or-pay would cost businesses \$49 billion a year, one-quarter of their 1991 profits.
- o More government bureaucracy: Play-or-pay would result inevitably in a huge new bureaucracy to run a government health insurance system. It would also lead to rationing of care, letting bureaucrats in Washington decree the availability of different treatments and the overall quality of care.
- o The Canadian health care system, typical of a government-run national health care system, creates waiting lists and long lines for needed care.
 - In British Columbia, it takes an average of 6 months to get a coronary bypass, 3.5 months to get a tonsillectomy, 4 months to get a hysterectomy.
 - A Canadian-style system will also limit the availability of diagnostic equipment that can save money with early detection. For example: magnetic resonance imagers (MRIs) are used to assess the spread of cancers. The U.S. has 1,375 MRIs; there are only 12 in all of Canada.
- o In summary, Bill Clinton's health plan will cost the American people not only money and jobs, but also quality care and personal choice which they would forfeit to government bureaucrats. Surely this is a prescription for disaster.

OUTLINE OF HEALTH CARE SPEECH

I. Health care reform: the problem

- A. Best health care system in the world, providing high quality, high-tech medicine, BUT
- B. Health care spending increasing at a rate two to three times rest of economy
 - 1. Federal government spending more and more on health care in both Medicare and Medicaid
 - 2. States faced with significant Medicaid expenditure growth
- C. 34 million Americans have no health insurance
 - 1. When uninsured do seek medical care, often too little, too late, and in very expensive places like emergency rooms
- D. Millions more Americans are afraid to change jobs out of fear of losing their health insurance -- "job lock"

II. Strategies to reform the system: The Democrats have two plans -- "one's bad, the other's worse"

- A. National health insurance
 - 1. Would put all of health care under control of the government
 - 2. Would result in long lines, rationing, limited new technologies and innovation, and huge new tax burdens
- B. "Play or pay"
 - 1. Employers either provide health insurance or pay a tax
 - 2. Employers have incentives to throw employees into public plan
 - 3. Likely to lead to job loss and higher costs of American products

III. The President's Comprehensive Health Reform Program

A. Four-point plan

1. Make health care more accessible by making health insurance more affordable
 - a. Tax credits for poor
 - b. New tax deductions for middle income
 - c. Full tax deduction for self-employed
 - d. Small insurance market reform
 - e. Limit pre-existing condition exclusions
2. Moderate spending in health care by making system more efficient
 - a. Create Health Insurance Networks (HINs)
 - b. Improved information for patients and other purchasers of health care on cost, quality, and outcomes
3. Wring out waste and abuse from the system
 - a. Medical malpractice reform
 - b. Reform administrative system to reduce cost, cut red tape, and reduce paperwork burdens
4. Control growth in government health care programs
 - a. New efficiencies in system
 - b. Flexibility for States in designing programs for poor

IV. Now is the time for reform

- A. Four pieces of legislation already transmitted to Congress
- B. These can be passed this year - have bipartisan support
- C. My plan similar to House Republican's Action Now legislation
- D. Many of key elements also in legislation introduced by Senate Republicans

Speech on Health Care

All of us are concerned about health care. We know we've got first rate health care in this country, that people from all over the world come to the United States when they seek that quality of care. But we know that our health care system also has problems, major problems that cry out for reform.

Health care costs too much in this country. Increased health care spending by employers has meant that workers' paychecks haven't grown the way they should. Productivity increases are being eaten up by health care cost increases that out pace inflation many times over. The Federal government is spending too much on Medicare, Medicaid, and other government-funded programs. States are being hit hard by uncontrolled spending on Medicaid. And it costs our American citizens too much money out of their pockets. We're spending \$800 billion now. At the rate we're going, we'll spend \$1.6 trillion by the end of the decade. That's just too much money.

Uncontrolled health care spending isn't our only problem. Too many of our citizens don't have health insurance. While most people, even those without health insurance, get health care, the uninsured frequently don't get health care when they need it or where they need it or by the people who could provide it to them best.

And finally, too many people are afraid to change jobs because of the fear they might not be able to get insurance with their new employer. This "job lock" is the last thing we need when we're trying to get our economy going again. Keeping people in their old jobs when new economic opportunities might be available elsewhere makes no sense and needs to be fixed.

The question therefore isn't whether we need reforms, but whether those reforms will preserve what works and fix what doesn't. Will these reforms have us throw out everything, and start with someone else's health care system or something that's never been tried before?

The Democrats have two different ideas -- one's bad and the other's worse. Some of the Democrats would like to nationalize our health care system, putting it all under government control. Government control of prices, of expenditures, and ultimately of how much, what kind, when, and where we receive health care. We know what this will mean -- long lines, rationing, limited new technologies, and huge new tax burdens. The worst of all worlds where no one has an incentive to control costs and everyone ends up paying. The idea of government controlling our health care spending means not only government control of 13 percent of our gross national product, but more importantly, the health care that Americans value so much. It's enough to make most Americans desperate for another solution.

The Democrats other idea, "play or pay," sounds good but is just as harmful. Under this strategy, employers either provide the health insurance coverage that the Congress mandates, paying a share of the premium as determined by Congress, or else the employer pays a new wage tax into a government fund. The government would then provide health insurance.

Congress has enough trouble being fiscally responsible when it has to pay for what it mandates; think of what Congress will do when it doesn't even have to pay for what it directs employers to do. Employers will be left with some tough choices: cut workers to pay the cost of mandated care, fire some workers to cover the workers they keep, or raise prices so they can cover the costs of this new benefit and pass it along to their consumers. It's hard to know just how many jobs might be lost under this plan, but some estimates are as high as 500,000 - 700,000 jobs. Worst of all, it's just a back door to nationalized health care, encouraging employers to stop offering health insurance and throw their employees into the public plan. Employer mandate, play or pay, or nationalized health care insurance -- any way you look at it, the wrong choice for Americans.

My plan is a comprehensive market-based reform that gives all Americans access to affordable health care. It's a system built on choice, not on government control. It puts quality

health care within the reach of every American rather than establishing new government bureaucracies.

Let me describe the plan.

Point 1 -- We'll make health care more accessible by making health insurance more affordable. For low-income individuals and families, I propose a health insurance credit -- up to \$3,750 per year for families, \$1,250 per year for individuals -- to guarantee people, even people too poor to file taxes, the ability to purchase health insurance. That will give these families a certificate or voucher to be used strictly for health care, worth more than \$300 a month. They can use it to buy into the plan their employers offer but they could never afford, or they can shop for whatever private plan suits them best. That's the American way -- let people choose and make their own decisions.

Self-employed individuals will be able to deduct the full cost of their health insurance premiums, like other workers.

For middle-income individuals and families, I propose a health insurance tax deduction of \$3,750 (\$1,250 for individuals). All American families with incomes under \$80,000 will be eligible for help from either the new tax deduction or the credit. That translates to help for almost 95 million Americans.

At least as important are the insurance market reforms that will be put in place. These reforms will make it much more likely that many of the small employers who now don't offer their employees insurance coverage will begin to do so. Limits will be placed on how much premiums can vary for similar groups of workers and how much they can increase from one year to the next. More importantly, people won't be excluded from health insurance just because they or someone in their family has been sick. This means that Americans will know that when they change jobs, they can continue to purchase insurance regardless of their health or regardless of their families' health -- no more "job lock." But access is not our only problem.

Point 2 -- We will moderate spending in health care by making the system more efficient. Small employers will be encouraged to pool together in health insurance networks (HINS) to lower their insurance costs, to reduce their administrative burdens, and to share risks by being part of a large group. These HINS will give small employers the "purchasing power" that many large employers already enjoy. Premium costs could be reduced by up to 20 percent for the 70 million people affected by small group reforms. Being a member of a HIN will also allow employers to escape from state mandated benefits and to avoid paying insurance premium taxes, except for those being used to finance high risk pools.

Another way to drive costs down is to make everyone a better health care consumer. Most people don't spend much time thinking about the cost of their health care, and couldn't even if they wanted to. The information is rarely available either for individuals or for those who purchase insurance on behalf of employers and employees. We need to make sure people have relevant information on health care costs and on who the best health care providers are. Cleveland's Health Quality Choice Program is one of several around the country that are helping keep costs of quality health care as low as possible by giving purchasers the information they need.

Point 3 -- We need to wring out shortcomings of the present system. You've heard me mention medical malpractice many times before. It's time to put an end to the "sky's the limit" lawsuits. Doctors and hospitals shouldn't live in fear of outrageous lawsuits if they don't do every lab test and procedure known to mankind. These unnecessary tests and high malpractice premiums mean higher doctors' bills, higher hospital costs, and higher health care costs that all of us end up having to pay. I'm encouraging people to use means other than the courts -- arbitration, for example -- to settle their disputes and to encourage States to put some limits on how much is paid when and by whom.

We also need to cut red tape, reduce paperwork burdens, use

common forms, simplify and speed up claims processes, and all the other things that will make our health insurance system run more efficiently. The challenge for the health insurance industry for the next four years is to process all health insurance claims electronically. There's no reason it can't be done. That single step alone would eliminate a mountain of health care paperwork and pare back costs. And while we're paring back, we need to make sure we pare back the excesses of state-mandated benefits. States may have meant well but the lists of benefits they have required employers to offer now totals almost 1,000 across the country. Too many of these benefits are imposing unnecessary costs on employers and all of us.

Part 4 -- We need to get the growth in government health care programs under control. Right now government health care programs claim a dubious distinction -- they are the fastest growing parts in the Federal budget. Medicaid increases have been running around 17 percent annually. This year the increase is a whopping 30 percent. Medicare has been increasing by 12 percent per year. With the aging of our population, we know we cannot sustain such increases forever. We will not, repeat not, cut benefits. We can make real savings by reducing these huge rates of increase through smart, sensible efficiencies.

We in the Federal government also need to give states the flexibility to design new health and welfare programs for the

poor. My meetings with governors have indicated that, above all, they want flexibility. States should be able to design programs that work for them -- and not be required to implement one-size-fits-all solutions imposed by Washington.

Providing affordable care, efficient care, wringing out waste, and controlling government growth. These four points will create the kind of market based reform plan that will give Americans the health care they want and deserve and put an end to the worries that keep them awake at night. At the same time we're providing quality health care, we'll be doing so in a way that encourages, not discourages, economic growth. The last thing this country needs is to have people and firms saddled with new government imposed costs. Unlike the Democrats, I am not going to mandate new requirements and taxes on small businesses, the place where most of the new jobs are created.

We need to push the Congress to act on health care reform now. I have sent up four pieces of legislation over the last few months which would begin to introduce critical reforms to our health care system. These bills include legislation to make health care premiums paid by the self-employed 100 percent deductible, legislation to reform health insurance markets -- particularly for small businesses, legislation to reduce health care administrative costs by electronic billing and by providing consumers and purchasers with better information, and legislation

to reform medical malpractice. These are bills that can be passed this year; they should have broad bipartisan support in Congress. They represent what can be done now, leaving for another day the most controversial aspects of the health care debate, such as the use of credits and vouchers to expand access for those who cannot afford health insurance.

House Republicans have introduced legislation similar to mine, which they call their Action Now program. Many of the key elements of my plan have also been included in legislation introduced by the Senate Republicans. Unlike the Democrats, we Republicans know how we want to reform health care. And we want to start now.

Will we have partisan politics as usual in the Congress or will they actually do something? We will soon know if there will be action this year in health care or just another season of talk. Now is the time to get started.

Questions and Answers on Health Care Reform

Question: Why did it take three plus years for the Bush Administration to come up with a health care plan?

Answer: We have said all along that we would propose a health care reform plan when we were convinced we had a strategy that would preserve what works and reform what doesn't. In my 1990 State of the Union message, I directed Secretary Sullivan to review issues concerning access, cost, and quality. His Department worked vigorously in response to that directive. Last year, a senior level working group from HHS, Treasury, OMB, and the White House worked together for many months to hammer out the details of my health care reform plan, which I announced on February 6 of this year. We now have a comprehensive health care reform plan that will make affordable health care available to all. I have sent four pieces of legislation to the Congress over the last several months that begin to implement these reforms. It is time for the Congress to act now.

Question: We haven't heard much about health care since your February announcement. Was that just a way to respond to the Wofford election in Pennsylvania?

Answer: If you haven't heard me talking about health care, it's because you're not listening. I have spoken about the need to reform health care in numerous speeches since February. I have met with representatives of small businesses, provider groups, and many others to indicate my interest in having something done on health care this year. I traveled to Capitol Hill to address the Republican Conference and met with the press afterward to indicate my support of the House Republicans' health care legislation, Action Now, which is very similar to my legislation. I might add that not one question from reporters at that session had to do with health care reform. Maybe the reason the people aren't hearing me talk about health care reform is that the press isn't reporting what I say.

Question: The Democrats propose using spending boards to establish target rates of spending on health care for this country. Reimbursement rates for providers would also be established by the spending boards. This is "real cost containment." How do you propose to moderate spending?

Answer: The Democrats are doing what they always do: trying to fix problems by more government bureaucracy and more government control. It hasn't worked in the past, and it won't work now. My plan tackles the root causes of too much spending, not just the symptoms. We'll drive down costs by making everyone a better health care consumer -- giving consumers and purchasers the information they need about health care costs, quality, and outcomes. We will reform medical malpractice so that doctors and hospitals aren't pushed to do more and more out of fear of getting sued. We all know that high malpractice premiums mean high doctor bills, high hospital costs -- resulting in higher costs not only for the patient but for taxpayers as well. We need to help small companies pool together so that they can get lower costs and make use of the marketing advantages large numbers of people provide. And we need to lower administrative costs. Cutting red tape, sharing common forms, using electronic billings so that claims can be

processed quickly and correctly. We also need to keep States from adding on more and more mandated benefits. There are almost 1,000 mandated benefits now across the various states.

This is how you moderate spending -- not by administratively imposed limits and government price controls.

Question: Not everybody is guaranteed insurance coverage under your plan. Is that good enough?

Answer: My plan will make sure that affordable health care is available to every American. All poor people will have access to a full credit, worth \$3,750 for families, to buy an insurance plan. These plans will include insurance made available by the states and by employers or private insurance companies. Our poorest citizens will have the same choices that most of us already have. The self-employed will be able to deduct the full cost of their health insurance premiums like all other workers, a change that will help many farmers and small business owners in this country. Middle-income workers will have access to a new tax deduction worth up to \$3,750 for families. Small business employers will be able to offer more affordable and reliable health insurance because of the reforms we are making in the insurance industry. People won't be able to be excluded from insurance just because they've been sick. When taken together, these changes will mean 29 million of the currently 34 million uninsured will have new insurance coverage, and some 95 million individuals will benefit. And we can do this without new mandates and new taxes.

Question: How about someone earning \$25,000 a year who has no health insurance coverage? Your minimum tax credit of \$375 isn't going to go very far when it comes to buying a health insurance plan.

Answer: Middle-income people will have a choice between the minimum credit and a new tax deduction. In addition, their employers will also be helped. Families with less than \$80,000 of income will be able to have a new tax deduction up to \$3,750, less whatever contributions their employers provide to their health insurance. But even more importantly, we know that most of the working uninsured are employed by small firms that haven't been providing health insurance. We're attacking the reasons these small firms haven't been offering health insurance -- too expensive, too unreliable, and too much hassle. Our small market reforms will make sure that such firms can offer affordable insurance by helping them pool together to get lower costs and to spread the risks of high-cost illnesses. That's our strategy. You solve the problem by attacking the cause, not by trying to mandate the solution.

Question: Is \$3,750 enough?

Answer: Even under our current system, with all the problems of malpractice costs, high administrative expenses, and too little information, \$3,750 can provide a good health insurance package in most parts of our country. This includes some of the higher cost areas like California and Maryland as well as the more moderately priced areas in the country. Some people can and will spend more for their insurance, but this amount is enough to make sure that people can get the insurance coverage they truly need.

Question: Isn't your small market reform proposal just going to increase costs for small employers?

Answer: Letting sick people buy insurance who have been previously unable to get insurance coverage will increase overall insurance costs somewhat. But these increases will be more than offset by encouraging small firms to pool together so that they can make use of their new market share, by reforming the malpractice system, by providing consumers and employers with better information about who provides quality health care and how much they charge, and by lowering administrative costs. These will more than offset any increases that come from bringing sick people into the insurance system.

Question: Aren't you just tinkering around the edges when our current health care system needs to be completely revamped?

Answer: The Democrats think we should throw away what we have and move either to nationalize our health care system, putting government in control of prices, expenditures and ultimately how much, what kind, when and where we use health care or introducing something that might sound good but is ultimately just as harmful -- "play or pay." That's just a back door way to nationalized health care and in the short run will either mean lower wages, lost jobs, or higher costs. What I want to do is preserve what works and reform what doesn't. We know we have first-rate, high quality health care. People come here. They don't go to other countries when they want the best health care in the world. We need to make sure we fix our problems without destroying what has led us to have such high quality health care. It's not by turning it all over to the government.

**BURGER
KING**

June 22, 1992

Mr. Roger Porter
Assistant to the President for Domestic Policy
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Porter:

I am the franchise owner of two Burger King restaurants and am concerned just as you are when an employee or his family needs medical care and does not have the money to pay for that care. However, I do not think that any form of national health insurance or federally-mandated coverage will solve the problem. I am opposed to any of the "play or pay" proposals or other governmental controls on employers. It is my understanding that these proposals will add \$1,200 to \$1,800 per employee per year to a business' operating costs. An average Burger King restaurant typically has 35 employees; therefore, costs would increase between \$42,000 and \$63,000 per year. The bottom line on my two restaurants in 1991 was a profit of \$32,000 at one and a loss of \$36,000 at the other. Obviously, the additional mandated health insurance costs would put me very deep into a loss position. Other restaurants and businesses would be affected in a similar way.

There are other ways to provide immediate and substantive protection that will go a long way towards resolving the cost and access crisis which we are facing. I call your attention to the principles supported by the Healthcare Equity Action League with which I am sure you are well acquainted.

I would appreciate your sensitivity to the small business community as you work your way through any pending legislation.

Sincerely,


Lyn Costes

Grayson Foods, Inc. 3120 FM 120 Denison, TX 75020 (903) 465-6836
LCJ, Inc. 1213 North Travis Sherman, TX 75090 (903) 868-1820

960.
5570

ED:

re health care

I'd like you to take a read through the health care section of the Yeutter book -- Steve has it, if it isn't already being copied by someone in Research....

I would also like you to read and highlight the BQ 92 Issues releases on health care. Steve was sent a binder with all B/Q issues releases last week.

Let's meet ^{a/}later this afternoon....

thanks DMCG

A handwritten signature in dark ink, appearing to be 'DMCG' with a stylized flourish at the end.