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

OA/ID Number: 13603
Folder ID Number: 13603-004

Folder Title:
Greater Cleveland Growth Association 2/6/92 [OA 6096] [2]

Stack:	Row:	Section:	Shelf:	Position:
G	26	17	6	4

BUSH 92 QUAYLE
★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★
★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

Date: February 3, 1992 Time: 9:15am

To: Tony Snow

FAX Number: 456-6218

Telephone Number: 456-2930

Comments: _____

From: Robert M. Teeter

FAX Number: 202-336-7115

Telephone Number: 202-336-7107

Number of Pages Including Cover Sheet 3

TO: TONY SNOW
& PINKERTON
FROM: TEETER

RE: President's February 6th Cleveland Speech

I hope the following suggestions are helpful to you in connection with the President's upcoming health speech.

1) The President can sell his plan as comprehensive because it helps every American. The Democrats will label it as merely incremental, patchwork, etc but in fact the President's plan - assures every American access to affordable insurance which cannot be taken away because of a job change or a medical condition and - it assures affordability through tax credits and deductions and incentives for cost effective insurance plans. ✓

Unless the President emphasizes why his plan helps every American (universal access), the Democrats will win the perception war with their universal coverage proposals and by ridiculing the Bush plan as "incremental."

yes ✓
2) The best argument for the President's plan is that it helps every American choose private insurance instead of dumping millions of Americans into another government welfare program as "play or pay" would do. While organized labor supports national health insurance to get health benefits off the collective bargaining table, do union members really want to lose their private coverage and find themselves in a Medicaid type system?

3) Questions American people should ask:

Does the plan provide my family the security of knowing we can get private insurance, afford it, and keep it? The Bush insurance reforms answer those question in the affirmative for everyone.

Does the plan provide us with the security of knowing we can get quality care when we need it without waiting lines or delays in bringing new technology into service?

The national health insurance schemes cannot answer this question in the affirmative while the Bush plan can.

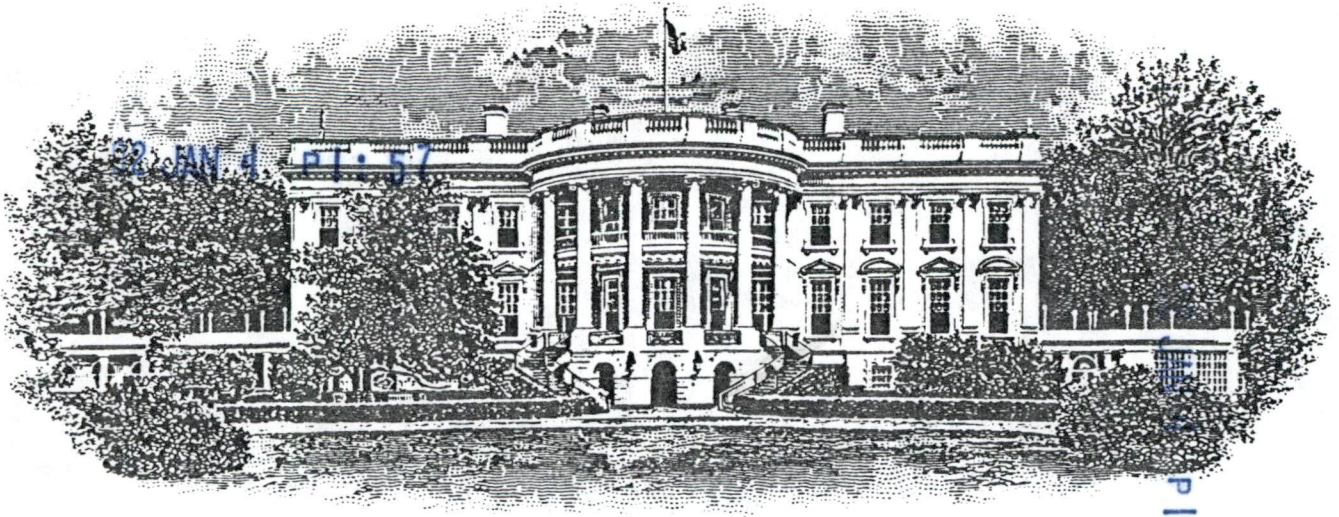
✓ Will the plan cost jobs, raise taxes, or ration care? Same answer as above. Only the Bush plan can claim NOT ONE LOST JOB. Estimates of tax increases to finance play or pay should be used based on Rostenkowski's bill.

→ 4) The Bush plan has an appropriate role for federal and state governments - to make it easier for people to obtain affordable insurance - but nationalized health insurance with centralized controls means a massive government bureaucracy, complex regulations, and would jeopardize quality of care by putting it in the back seat to government budgets.

5) Americans now collectively make personal health decisions aggregating over \$800 billion a year. Do we really want to turn that much money over to the government to control for us? Imagine the Congressional amendments telling us where we can spend this money and where we cannot, in which states and Congressional districts we can spend more and in which we can spend less, and how much of the health budget will go to urban versus rural America, and on and on and on.

?
Finally charts would be helpful to explain how each segment of the population would have access to affordable coverage, to show the taxes required to fund play or pay, and to list delays in access to treatment for various procedures in Canada.

28%



sent
2/4/92

PI:57

FACSIMILE TRANSMITTAL SHEET

NUMBER OF PAGES INCLUDING COVER 9

DATE 2/4

TO Ms Alixe Glen

FAX NUMBER _____

COMMENTS _____

FROM D McElroy

* DEPARTMENT OF COMMUNICATIONS *

OFFICE NUMBER 456 2773

THE WHITE HOUSE
WASHINGTON

DATE: 2/3/92

TO: Dan McGowan

FROM: D. CAMERON FINDLAY
Deputy Assistant to the President and
Counselor to the Chief of Staff
1st Floor, West Wing, x6594

- FYI
- Appropriate Action
- Let's Discuss
- Per Our Conversation
- Per Your Request
- Please Return

COMMENTS:

Sen. Devenberger sent me
the attached after talking
w/ SKS. I think we
have taken care of his
concerns in the Thurs. &
Fri speeches, but am passing
this along mostly so I
can say I did !!
Thanks. -Cam

Dear Sam:

February 3, 1992

While I don't agree with it, I understand the decision to have the president articulate a plan on Thursday. What he does with the other twelve minutes of his speech is essential, because he will never have a better opportunity to define this issue as it needs to be defined. This chance won't come again.

My argument is that on Thursday the President must define the health problem broadly, in order to advance three key strategic needs:

1. The democrats have already defined our health crisis as a problem of access. We can't let that stand. That's how it is reported and talked about. We cannot win on the field the democrats have chosen to play on. They will one-up us every time and our plans will look anemic by comparison.

And as long as "financing access" is the scope of the issue, the pressure will be on the President to find resources to pay for it: from Medicare, means testing or a tax cap, which makes us look draconian.

2. The policy reality is that our problem is much broader than access. Access is just one of three major problems we face, the other two being the wasteful way we practice and pay for medicine and the increasingly poor health habits of the American people. Solving the health crisis absolutely requires progress on all three.

The heavy lifting ahead is not just for government to do. The challenge must be issued to the medical community and the insurance companies to change how we practice and pay for medicine, so we get more and better care for the same dollars. The challenge must also be to the American people, that they must take more responsibility for their own health, by living lifestyles that keep them well.

3. By talking about re-inventing medical practice (rewarding efficient providers, liability reform), personal health responsibility (on which he is an excellent spokesman, consumer information) as well as financing access (tax credits + insurance reform + medicaid changes), the President can be the first person to tackle the whole problem.

It's a war on three fronts. We can't afford to ignore any of them. We need to put the right assets against each challenges. The democrats have only one weapon: more government. It won't work. Instead, we need to marshall the inventiveness of the American people, the character of the American people and yes the regulatory and financial resources of government at all levels. Together we can win this war.



628-0070
6636
Station 23



WHITE HOUSE STAFFING REQUEST

Subject

Presidential Remarks: Greater Cleveland Growth Assn.

Date/Time Received:
2/3 3:45 PM

RESPONSE DUE: Today 2/3
4:30 P.M.

Response due to Director's Office Support Group, Room 254, Ext. 3060.
Please respond to every staffing request, even if you have no comment.

Distribution Within OMB

<u>Action</u>	<u>FYI</u>	<u>Action</u>	<u>FYI</u>
_____ Director	_____	_____ Howard, R.	_____
_____ Deputy Director	_____	_____ Legis. Affairs	_____
_____ Dep. Dir./Mgmt.	_____	_____ Lieberman, S.	_____
_____ Al-Samarrie, A.	_____	_____ MacRae, J.	_____
_____ Anderson, B.	_____	_____ Martin, B.	_____
_____ Burman, A.	_____	_____ Mazur, E.	_____
_____ Dale, E.	_____	_____ Murr, J.	✓
✓ _____ Damus, R.	_____	✓ _____ Scully, T.	_____
✓ _____ Grady, R.	_____	_____ <u>Richella, N.</u>	✓
_____ Hale, J.	_____	_____ (Other)	_____

Comments:

tony snow
2930

McGroarty/Bunton
January 31, 1992
3:00 pm
[health]

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992
XX:00 A.M.

[Introductory acknowledgements.] I'm pleased to be back in Cleveland, capital city of the North Coast. [[opening humor...]]

People who know Northern Ohio know this region's outgrowing the old rustbelt image. Cleveland Clinic is world-renown -- and it is now the city's number one employer. Northern Ohio is also home to some of the most innovative approaches to health care. That's why I've chosen this morning to address the health care crisis -- and lay out my five-point program for comprehensive health care reform. //

including
The
Cleveland
Council of
Smaller
Enterprises
(COSE)
Cooper

Reform is urgent -- for more reasons than one. / The crisis I mentioned isn't in quality of care. American health care is first-rate, the best in the world. But the cost has skyrocketed: from xxx in 19-- to \$800 billion dollars today. And if we keep going at the same rate, that \$800 billion will double to \$1.6 trillion by the year 2000.

These numbers alone would make the case for reform. But cold statistics don't show us the worry people feel -- the all-too-familiar fear about what happens to their health care if they lose their job -- or even if they leave their job for a better one. // Right now, one in every seven Americans is uninsured. And in these hard times, millions more Americans worry that if

radical ~~major~~ market-based competitive



they lose their job, they lose more than their paycheck -- they lose their health insurance as well. //

There's a better way. But the question is whether we'll ~~move~~ settle on sensible reforms -- or whether we'll force ourselves to swallow a cure worse than the disease. Before I detail my plan, let's take a look at some of the alternatives out there, and what they'd do for -- or to -- America's health.

Begin with a prescription for disaster: we can nationalize the health system. Put government in control of the system: let government control the prices, let government ration the kind of health care people get -- let government tell people looking for care how much they'll get, what kind, and when.

That's the way it's done right now across Lake Erie. Yes, Canada's system covers everyone. That's the goal we're striving for -- but keep in mind the drawbacks that come with a nationalized system: the waiting lists for surgery, the limits on which doctor you see -- the shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. //

~~{Let me cite just one example: in all of Canada, you'll find only 12 M.R.I. machines. There are three right at the Cleveland Clinic alone.}~~

And ~~in the end~~, nationalizing health care ~~pushes~~ costs ~~even~~ higher. Some studies of Canadian-style plans now circulating in the Congress estimate the average American family would see its taxes increase more than \$4000 dollars a year. //

STET
BAD
EXAMPLER
Too many
MRIS ARE
A problem

AND ALL THESE PROBLEMS WITH
MUCH HIGHER TAXES.

-- and cost the nation more than \$250 Billion a year!

worst of both worlds: No one has an incentive to control costs -
- and everyone pays. //

Anyone who's spent months checking the mail for that income tax refund -- or tried to track down a missing social security check -- or whiled away a day in line at the DMV is going to think long and hard before they let the government play doctor. Nationalized health care would be a national disaster. //

what's it called in Ohio?
bit as

But there are other proposals out there ^{that sound simple -- but are every} equally harmful.

One's called "Play or pay." Each employer "plays" -- provides insurance for his employees, or they "pay" -- a payroll tax to finance government health coverage. This scheme, says its advocates, gives employers a choice. // So does the guy with the gun in your back when he says: "Your money or your life."

Businessmen and women tell me horror stories about health care costs spiralling out of control. Well, Play or Pay will leave a lot of small businesses -- businesses that are on the edge right now -- with a tough choice: They can cut workers' wages across the board to pay for mandated health care, they can fire some workers to cover the rest -- or raise prices, and pass along the cost to the consumer. Some estimates put the jobs lost under "Play or Pay" as high as half-a-million or more -- and the cost to employers at \$30 billion / and counting. //

guaranteed to be

Strip away the rhetoric, and "Play or pay" is really the back-door route to a nationalized health scheme. It creates incentives for employers to stop offering benefits, and dumps millions of workers into Medicaid. And because Play or Pay

d

fully insured



the new employer taxes in

don't doesn't pay for *the plan* itself, the American taxpayer will foot the *rest of* bill.

In other words, the only sure thing about Play or Pay is pay
/ and pay / and pay. //

Don't look for this analysis from the people pushing Play or Pay. Ask them about the side-affects of their proposal, and they'll say: Take two aspirin -- and call me after the election. *the guaranteed "melt down" of this system*

The fact is, we don't have to create a new government bureacracy to give Americans access to affordable, quality health care. We need a system that delivers -- a system that works for America -- a system that puts quality care within reach of every American family.

That system should be built on choice -- not central control. It should keep costs down -- and open up access. But above all, it should allow all Americans to rest a little easier when it comes to health care -- to ease the worry if they change jobs, or if they or their kids develop serious health problems.
//

My comprehensive *six* five-point plan meets every one of these common-sense tests. Here's how:

First, we will make health insurance more affordable for *low and* low-to-middle income families. For low-income individuals and families, I'm proposing a health insurance credit -- up to \$3,750 dollars a year to *allow* help *all poor* people purchase private health insurance. *-- even those too poor to file taxes --* For middle-income individuals and families, I'm *wild create* urging Congress *up to* to pass a health insurance tax deduction of \$3,750. / Every American family with incomes under \$80,000 {-- that's ~~xx%~~ *95 million people* of all

receive new help from

~~American families --~~ will be eligible for either the credit or the tax deduction. They'll find health insurance more affordable -- in an improved market system -- and they'll be free to choose the plan and the doctors that serve them best.

Second, we will make health care more efficient. Twenty years ago, President Nixon pioneered a new idea in health care - the HMO. Today, I'm asking you to learn a new acronym: HIN - Health Insurance Networks. / Insurance costs are governed by the "law of large numbers:" The larger the group being insured, the lower the cost per individual. The idea behind HIN is to provide incentives for small companies to do what Cleveland's C.O.S.E. [COZY] group has done -- when it brought 10,000 small businesses together to make a joint purchase of health care. By cutting costs, we're going to make health insurance more affordable -- and more affordable means more accessible.

of being sick

The risk is shared, and the lower administrative costs are lower -- and you get more

Third, we will wring out waste and excess in the present system. We've targetted malpractice 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 are built into rising doctors' bills -- and passed along to the American people. / And I am challenging the health insurance industry to cut red tape -- to share common forms, and to simplify and speed up claims processing. [Specific challenges.]

Fourth, we will get the growth in federal health programs under control. Right now, {Medicare} can claim a dubious distinction: fastest growing program in the federal budget. We

and reform and improve our programs

575

reducing

6

and control

won't cut benefits. We won't raise premiums. We can make real savings simply by cutting the rate of increase. We've set a target we can reach -- ~~one that will cut the rate of growth from (10.6% to 9.4%)~~. ^{reduces} Just reducing the rate of growth to 10% a year would save billions.

Efficiencies like this will help our reform plan pay for itself. //

^{sixth} ~~Fifth~~ and finally, we will get information to the people.

We will make everyone a better health care consumer. Right now, most people pay more attention to the price of toothpaste than the comparative costs of health care. People don't waste much time thinking about the costs of their care -- but in the end, we all pay the price. / We need to follow the lead of initiatives like Cleveland Health Quality Choice -- programs that give people "shopping" for health care a kind of "blue book" for medical costs. Innovations like this one will help all of us keep overall costs as low as possible.

who want affordable quality

Providing affordable care, efficient care, / wringing out excess and waste, controlling federal growth, and getting more health care cost information into the hands of consumers: these five points will create the kind of reform that will give Americans the kind of health care they want and deserve -- and put an end to the worry that keeps them awake at night.

giving states flexibility

market based, competitive

I keep coming back to what works for this country. When we talk about health care, we're talking about matters of the most personal nature -- in some cases, literally, life and death decisions. We don't need to put government between patients and

Fifth - we'll give states the flexibility ~~with the new financing from the federal government~~ to design new programs that ~~will provide~~ provide universal access programs for the poor that will provide quality services to all their citizens. ~~States can use new federal resources to design~~

✓ * new programs That work -- not more inflexible
and bureaucratic programs designed in Washington, D.C.

7

their doctors. We don't need to create another wasteful federal bureaucracy. We need common sense, comprehensive health care reform -- and we need it now. My five-point plan is the right plan -- a plan that meets our obligation to all Americans by putting hope and health within their reach. //

Once again, my thanks for this warm Cleveland welcome. May God bless the United States of America.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/1/92 ACTION/CONCURRENCE/COMMENT DUE BY: MONDAY, 4:00 PM, 2/3/92

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

VJ →

Please forward your comments directly to Tony Snow, Rm. 122, x2930, with a copy to this office NO LATER THAN 4:00 PM, MONDAY, FEBRUARY 3. Thank you.

RESPONSE:

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

- ① Cost
- ② Access
- ③ Portability

McGroarty/Bunton
 January 31, 1992
 3:00 pm
 [health]

02 JAN 31 P4:29

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
 CLEVELAND, OHIO
 FEBRUARY 6, 1992
 XX:00 A.M.

medical malpractice

[Introductory acknowledgements.] I'm pleased to be back in Cleveland, capital city of the North Coast. [[opening humor...]]

People who know Northern Ohio know this region's outgrowing the old rustbelt image. Cleveland Clinic is world-renown -- and it is now the city's number one employer. Northern Ohio is also home to some of the most innovative approaches to health care. / That's why I've chosen this morning to address the health care crisis -- and lay out my five-point program for comprehensive health care reform. // *clearly needed*

Reform is ~~urgent~~ -- for more reasons than one. / The crisis I mentioned isn't in quality of care. American health care is first-rate, the best in the world. ~~But the cost has skyrocketed: from xxx in 19-- to \$800 billion dollars today. And if we keep going at the same rate, that \$800 billion will double to \$1.6 trillion by the year 2000.~~

And the vast majority of citizens have ~~adequate~~ access to that health care system.

These numbers alone would make the case for reform. But cold statistics don't show us the worry people feel -- the all-too-familiar fear about what happens to their health care if they lose their job -- or even if they leave their job for a better one. // Right now, one in every seven Americans is uninsured. And in these hard times, millions more Americans worry that if

they lose their job, they lose more than their paycheck -- they lose their health insurance as well. //

There's a better way. But the question is whether we'll settle on sensible reforms -- or whether we'll force ourselves to swallow a cure worse than the disease. Before I detail my plan, let's take a look at some of the alternatives out there, and what they'd do for -- or to -- America's health.

Begin with a prescription for disaster: we can nationalize the health system. Put government in control of the system: let government control the prices, let government ration the kind of health care people get -- let government tell people looking for care how much they'll get, what kind, and when.

That's the way it's done right now across Lake Erie. ~~Yes, Canada's system covers everyone. That's the goal we're striving for -- but keep in mind the drawbacks that come with a~~ ^{And} look what happens when you adopt a government-controlled national health system.

~~nationalized system:~~ the waiting lists for surgery, the limits on which doctor you see -- the shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. // {Let me cite just one example: in all of Canada, you'll find only 12 M.R.I. machines. There are three right at the Cleveland Clinic alone.}

And in the end, nationalizing health care pushes costs even higher. Some studies of Canadian-style plans now circulating in the Congress estimate the average American family would see its taxes increase more than \$4000 dollars a year. // You get the

to
a
solid
system

worst of both worlds: No one has an incentive to control costs -
- and everyone pays. //

Anyone who's spent months checking the mail for that income tax refund -- or tried to track down a missing social security check -- or whiled away a day in line at the DMV is going to think long and hard before they let the government play doctor. Nationalized health care would be a national disaster. //

But there are other proposals out there, equally harmful. One's called "Play or pay." Each employer "plays" -- provides insurance for his employees, or they "pay" -- a payroll tax to finance government health coverage. This scheme, says its advocates, gives employers a choice. // So does the guy with the gun in your back when he says: "Your money or your life."

Businessmen and women tell me horror stories about health care costs spiralling out of control. Well, Play or Pay will leave a lot of small businesses -- businesses that are on the edge right now -- with a tough choice: They can cut workers' wages across the board to pay for mandated health care, they can fire some workers to cover the rest -- or raise prices, and pass along the cost to the consumer. Some estimates put the jobs lost under "Play or Pay" as high as half-a-million or more -- and the cost to employers at \$30 billion / and counting. //

Strip away the rhetoric, and "Play or pay" is really the back-door route to a nationalized health scheme. It creates incentives for employers to stop offering benefits, and dumps millions of workers into Medicaid. And because Play or Pay

doesn't pay for itself, the American taxpayer will foot the bill.

In other words, the only sure thing about Play or Pay is pay / and pay / and pay. //

Don't look for this analysis from the people pushing Play or Pay. Ask them about the side-affects of their proposal, and they'll say: Take two aspirin -- and call me after the election.

The fact is, we don't have to create a new government bureacracy to give Americans access to affordable, quality health care. We need a system that delivers -- a system that works for America -- a system that puts quality care within reach of every American family.

That system should be built on 'choice -- not central control. It should keep costs down -- and open up access. But above all, it should allow all Americans to rest a little easier when it comes to health care -- to ease the worry if they change jobs, or if they or their kids develop serious health problems.

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have access to the best

system in the world

make sure they keep their access

The 1st goes to access; the second goes to cost since

I'd distinguish between the two, Dems say biggest problem is 'efficiency' is really

part of the cost base.

American families --} will be eligible for either the credit or the tax deduction. They'll find health insurance more affordable -- and they'll be free to choose the plan and the doctors that serve them best.

This is only important as far as it reduces cost

Second, we will make health care more efficient. ~~Twenty~~ years ago, President Nixon pioneered a new idea in health care - ~~the HMO~~. Today, I'm asking you to learn a new acronym: HIN - Health Insurance Networks. / Insurance costs are governed by the "law of large numbers:" The larger the group being insured, the lower the cost per individual. The idea behind HIN is to provide incentives for small companies to do what Cleveland's C.O.S.E. [COZY] group has done -- when it brought 10,000 small businesses together to make a joint purchase of health care. By cutting costs, we're going to make health insurance more affordable -- and more affordable means more accessible.

Also goes to cost

Third, we will wring out waste and excess in the present system. We've targetted malpractice 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 are built into rising doctors' bills -- and passed along to the American people. / And I am challenging the health insurance industry to cut red tape -- to simplify and speed up claims processing. [Specific challenges.]

Fourth, we will get the growth in federal health programs under control. Right now, {Medicare} can claim a dubious distinction: fastest growing program in the federal budget. We

won't cut benefits. We won't raise premiums. We can make real savings simply by cutting the rate of increase. We've set a target we can reach -- one that will cut the rate of growth from {10.6% to 9.4%}.

Explain how? ~~Not through~~

Efficiencies like this will help our reform plan pay for itself. //

Need to hammer home portability - that's a key concern of Joe Sirpac

Fifth and finally, we will get information to the people.

We will make everyone a better health care consumer. Right now, most people pay more attention to the price of toothpaste than the comparative costs of health care. People don't waste much time thinking about the costs of their care -- but in the end, we all pay the price. / We need to follow the lead of initiatives like Cleveland Health Quality Choice -- programs that give people "shopping" for health care a kind of "blue book" for medical costs. Innovations like this one will help all of us keep overall costs as low as possible.

Providing affordable care, efficient care, / wringing out excess and waste, controlling federal growth, and getting more health care cost information into the hands of consumers: these five points will create the kind of reform that will give Americans the kind of health care they want and deserve -- and put an end to the worry that keeps them awake at night.

I keep coming back to what works for this country. When we talk about health care, we're talking about matters of the most personal nature -- in some cases, literally, life and death decisions. We don't need to put government between patients and

their doctors. We don't need to create another wasteful federal bureaucracy. We need common sense, comprehensive health care reform -- and we need it now. My five-point plan is the right plan -- a plan that meets our obligation to all Americans by putting hope and health within their reach. //

Once again, my thanks for this warm Cleveland welcome. May God bless the United States of America.

#

HANN'S

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/1/92 ACTION/CONCURRENCE/COMMENT DUE BY: MONDAY, 4:00 PM, 2/3/92

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION

CLEVELAND, OHIO
FEBRUARY 6, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: X6563

Please forward your comments directly to Tony Snow, Rm. 122, x2930, with a copy to this office NO LATER THAN 4:00 PM, MONDAY, FEBRUARY 3. Thank you.

RESPONSE:

*cost
access
prevention*

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

McGroarty/Bunton
January 31, 1992
3:00 pm
[health]

02 JAN 31 P4:29

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992
XX:00 A.M.

[Introductory acknowledgements.] I'm pleased to be back in Cleveland, capital city of the North Coast. [[opening humor...]]

People who know Northern Ohio know this region's outgrowing the old rustbelt image. Cleveland Clinic is world-renown -- and it is now the city's number one employer. Northern Ohio is also home to some of the most innovative approaches to health care. / That's why I've chosen ^{to be here} this morning to address the health care crisis -- and lay out my ^{→ see with Bunton on p. 4} five-point program for comprehensive health care reform. //

Reform is urgent -- for more reasons than one. / The crisis I mentioned isn't in quality of care. American health care is first-rate, the best in the world. But the cost has skyrocketed: from xxx in 19-- to \$800 billion dollars' today. And if we keep going at the same rate, that \$800 billion will double to \$1.6 trillion by the year 2000.

These numbers alone would make the case for reform. But cold statistics don't show us the worry people feel -- the all-too-familiar fear about what happens to their health care if they lose their job -- or even if they leave their job for a better one. // Right now, one in every seven Americans is uninsured. And in these hard times, millions more Americans worry that if

*Our policy works better for a job switcher than a job loser
Thought: And as our economy gets moving again, and people start jobs,
they worry about getting insurance as well as a job.*

they lose their job, they lose more than their paycheck -- they lose their health insurance as well. //

There's a better way. But the question is whether we'll settle on sensible reforms -- or whether we'll force ourselves to swallow a cure worse than the disease. Before I detail my plan, let's take a look at some of the alternatives out there, and what they'd do for -- or to -- America's health.

Begin with a prescription for disaster: we can nationalize the health system. Put government in control of the system: let government control the prices, let government ration the kind of health care people get -- let government tell people looking for care how much they'll get, what kind, and when.

That's the way it's done right now across Lake Erie. Yes, Canada's system covers everyone. That's the goal we're striving for -- but keep in mind the drawbacks that come with a ^{reaching that goal} nationalized system: the waiting lists for surgery, the limits ^{through a} on which doctor you see -- the shortages of the high-tech equipment responsible for so many of the miracles of modern

medicine. // {Let me cite just one example: in all of Canada, you'll find only 12 M.R.I. machines. ^{EITHER: there are -- in northeast Ohio alone.} [There are three right at the Cleveland Clinic alone.] ^[Repeating the clinic almost makes it sound like we're condorsing them.] ^{or In Cleveland, there are three in one hospital alone too}

And in the end, nationalizing health care pushes costs even higher. Some studies of Canadian-style plans now circulating in the Congress estimate the average American family would ^{pay} (see its taxes increase) more than \$4000 dollars a year. ^{In taxes for this kind of plan} // You get the

Honesty would suggest that these families would no longer have to pay for insurance. The "increase" argument is more OK for a campaign moment, but let's keep it out of the government's reach.

worst of both worlds: No one has an incentive to control costs -
- and everyone pays. //

Anyone who's spent months checking the mail for that income tax refund -- or tried to track down a missing social security check -- or whiled away a day in line at the DMV is going to think long and hard before they let the government play doctor. Nationalized health care would be a national disaster. //

But there are other proposals out there, equally harmful. One's called "Play or pay." Each employer "plays" -- provides insurance for his employees, or they "pay" -- a payroll tax to finance government health coverage. This scheme, says its advocates, gives employers a choice. // So does the guy with the gun in your back when he says: "Your money or your life."

Businessmen and women tell me horror stories about health care costs spiralling out of control. Well, Play or Pay will leave a lot of small businesses -- businesses that are on the edge right now -- with a tough choice: They can cut workers' wages across the board to pay for mandated health care, they can fire some workers to cover the rest -- or ^{they can?} raise prices, and pass along the cost to the consumer. Some estimates put the jobs lost under "Play or Pay" as high as half-a-million or more -- and the cost to employers at \$30 billion / and counting. //

Strip away the rhetoric, and "Play or pay" is really the back-door route to a nationalized health scheme. It creates incentives for employers to stop offering benefits, and dumps millions of workers into Medicaid. And because Play or Pay

no social security affordability

It's very difficult to get a guaranteed 7% of payroll pin.

[It's not literally Medicaid -- how can it be funded?]

the argument has just been made that the incidence of the tax is on EMPLOYEES

(Remember the employers who don't provide benefits are not "paid" --

doesn't pay for itself, the American taxpayer will foot the bill.

In other words, the only sure thing about Play or Pay is pay / and pay / and pay. //

Don't look for this analysis from the people pushing Play or Pay. Ask them about the side-affects of their proposal, and they'll say: Take two aspirin -- and call me after the election.

The fact is, we don't have to create a new government bureaucracy to give Americans access to affordable, quality health care. We need a system that delivers -- a system that works for America -- a system that puts quality care within reach of every American family.

That system should be built on choice -- not central control. It should keep costs down -- and open up access. But above all, it should allow all Americans to rest a little easier when it comes to health care -- to ease the worry if they change jobs, or if they or their kids develop serious health problems.

//
My comprehensive five-point plan meets every one of these common-sense tests. Here's how:

First, we will make health insurance more affordable for low-to-middle income families. For low-income individuals and families, I'm proposing a health insurance credit -- up to \$3,750 dollars a year to help people purchase private health insurance.

For middle-income individuals and families, I'm urging Congress to pass a health insurance tax deduction of \$3,750. / Every American family with incomes under \$80,000 {-- that's xx% of all

*prevention
This needs to be on a point.
It can be handled simply
th, we must change behaviors that detract from health.
From drug abuse to over too high rates of heart disease -- we see*

*treason and how behavior leads to illness and premature death.
I will be going on from here to San Diego to ~~make~~ focus on the prevention point in our plan.
Treasury says the # of people is*

American families --} will be eligible for either the credit or the tax deduction. They'll find health insurance more affordable -- and they'll be free to choose the plan and the doctors that serve them best.

Second, we will make health care more efficient. Twenty years ago, President Nixon pioneered a new idea in health care - the HMO. Today, I'm asking you to learn a new acronym: HIN - Health Insurance Networks. / Insurance costs are governed by the "law of large numbers:" The larger the group being insured, the lower the cost per individual. The idea behind HIN is to provide incentives for small companies to do what Cleveland's C.O.S.E. [COZY] group has done -- when it brought 10,000 small businesses together to make a joint purchase of health care. By cutting costs, we're going to make health insurance more affordable -- and more affordable means more accessible.

Third, we will wring out waste and excess in the present system. We've targetted malpractice 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 are built into rising doctors' bills -- and passed along to the American people. / And I am challenging the health insurance industry to cut red tape -- to simplify and speed up claims processing.

[Specific challenges.] ^{There's no reason ~~75 percent~~ ^{half} of health insurance claims can't be handled electronically within the next ^{four} years.}

Fourth, we will get the growth in federal health programs under control. Right now, ^{our federal health care programs} Medicare can claim a dubious distinction: fastest growing ^{area} program in the federal budget. ^{That step alone would reduce the blizzard of health care paper to gentle furies.}

won't cut benefits. We won't raise premiums. We can make real savings simply by cutting the rate of increase. We've set a target we can reach -- one that will cut the rate of growth from {10.6% to 9.4%}.

Efficiencies like this will help our reform plan pay for itself. //

Fifth and finally, we will get information to the people. We will make everyone a better health care consumer. Right now, most people pay more attention to the price of toothpaste than the comparative costs of health care. People don't waste much time thinking about the costs of their care -- but in the end, we all pay the price. / We need to follow the lead of initiatives like Cleveland Health Quality Choice -- programs that ^{can} give people "shopping" for health care a kind of "blue book" for medical costs. Innovations like this one will help all of us keep overall costs as low as possible.

Providing affordable care, efficient care, / wringing out excess and waste, ^{and duplication [OPTIONAL - don't feel as strongly]} controlling federal growth, and getting more health care cost information into the hands of consumers: these ^[six?] five points will create the kind of reform that will give Americans the kind of health care they want and deserve -- and put an end to the worry that keeps them awake at night.

I keep coming back to what works for this country. When we talk about health care, we're talking about matters of the most personal nature -- in some cases, literally, life and death decisions. We don't need to put government between patients and

their doctors. We don't need to create another wasteful federal bureaucracy. We need common sense, comprehensive health care reform -- and we need it now. My ^{five} five-point plan is the right plan -- a plan that meets our obligation to all Americans by putting hope and health within their reach. //

Once again, my thanks for this warm Cleveland welcome. May God bless the United States of America.

#

WHITE HOUSE STAFFING MEMORANDUM

02
P6: 49

DATE: 2/1/92 ACTION/CONCURRENCE/COMMENT DUE BY: MONDAY, 4:00 PM, 2/3/92

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, with a copy to this office NO LATER THAN 4:00 PM, MONDAY, FEBRUARY 3. Thank you.

RESPONSE:

See comments.
PK
Paul Korfonta
02/03/92

Thanks.
Also see HHS
attachment.

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

McGroarty/Bunton
January 31, 1992
3:00 pm
[health]

02 JAN 31 P4: 29

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CLEVELAND, OHIO
FEBRUARY 6, 1992
XX:00 A.M.

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People who know Northern Ohio know this region's outgrowing the old rustbelt image. Cleveland Clinic is world-renown -- and it is now the city's number one employer. Northern Ohio is also home to some of the most innovative approaches to health care. / That's why I've chosen this morning to address the health care crisis -- and lay out my five-point program for comprehensive health care reform. //

Reform is urgent -- for more reasons than one. / The crisis I mentioned isn't in quality of care. American health care is first-rate, the best in the world. But the cost has skyrocketed: from xxx in 19-- to \$800 billion dollars today. And if we keep going at the same rate, that \$800 billion will double to \$1.6 trillion by the year 2000.

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they lose their job, they lose more than their paycheck -- they lose their health insurance as well. //

There's a better way. But the question is whether we'll settle on sensible reforms -- or whether we'll force ourselves to swallow a cure worse than the disease. Before I detail my plan, let's take a look at some of the alternatives out there, and what they'd do for -- or to -- America's health.

Begin with a prescription for disaster: we can nationalize the health system. Put government in control of the system: let government control the prices, let government ration the kind of health care people get -- let government tell people looking for care how much they'll get, what kind, and when.

That's the way it's done right now across Lake Erie. Yes, Canada's system covers everyone. That's the goal we're striving for -- but keep in mind the drawbacks that come with a nationalized system: the waiting lists for surgery, the limits on which doctor you see -- the shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. //

(OCA)

Canada may not limit the choice of doctor

{Let me cite just one example: in all of Canada, you'll find only 12 M.R.I. machines. There are three right at the Cleveland Clinic alone.}

And in the end, nationalizing health care pushes costs even higher. Some studies of Canadian-style plans now circulating in the Congress estimate the average American family would see its taxes increase more than \$4000 dollars a year. //

(OCA)
Because of government control, there is no incentive to strive for innovative and more effective health care.

You get the

worst of both worlds: No one has an incentive to control costs - (OCA)
 - and everyone pays. //

Anyone who's spent months checking the mail for that income tax refund -- or tried to track down a missing social security check -- or whiled away a day in line at the DMV is going to think long and hard before they let the government play doctor. Nationalized health care would be a national disaster. //

General
comment:
Actually,
the Social
Security
Admin. is
very efficient

But there are other proposals out there, equally harmful. One's called "Play or pay." Each employer "plays" -- provides insurance for his employees, or they "pay" -- a payroll tax to finance government health coverage. This scheme, says its advocates, gives employers a choice. // So does the guy with the gun in your back when he says: "Your money or your life."

Businessmen and women tell me horror stories about health care costs spiralling out of control. Well, Play or Pay will leave a lot of small businesses -- businesses that are on the edge right now -- with a tough choice: They can cut workers' wages across the board to pay for mandated health care, they can fire some workers to cover the rest -- or raise prices, and pass along the cost to the consumer. Some estimates put the jobs lost under "Play or Pay" as high as half-a-million or more -- and the cost to employers at \$30 billion / and counting. //

Strip away the rhetoric, and "Play or pay" is really the back-door route to a nationalized health scheme. It creates incentives for employers to stop offering benefits, and dumps millions of workers into Medicaid. And because Play or Pay

doesn't pay for itself, the American taxpayer will foot the bill.

In other words, the only sure thing about Play or Pay is pay / and pay / and pay. //

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American families --} will be eligible for either the credit or the tax deduction. They'll find health insurance more affordable -- and they'll be free to choose the plan and the doctors that serve them best.

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[Specific challenges.]

Fourth, we will get the growth in federal health programs under control. Right now, {Medicare} can claim a dubious distinction: fastest growing program in the federal budget. We

won't cut benefits. We won't raise premiums. We can make real savings simply by cutting the rate of increase. We've set a target we can reach -- one that will cut the rate of growth from {10.6% to 9.4%}.

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their doctors. We don't need to create another wasteful federal bureaucracy. We need common sense, comprehensive health care reform -- and we need it now. My five-point plan is the right plan -- a plan that meets our obligation to all Americans by putting hope and health within their reach. //

Once again, my thanks for this warm Cleveland welcome. May God bless the United States of America.

#

FOR RELEASE UPON DELIVERY
WEDNESDAY, JANUARY 22, 1992

*REMARKS BY

LOUIS W. SULLIVAN, M.D.

SECRETARY OF HEALTH AND HUMAN SERVICES

NATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS

WASHINGTON, D.C.

*TEXT IS THE BASIS OF SECRETARY SULLIVAN'S ORAL REMARKS.

IT SHOULD BE USED WITH THE UNDERSTANDING THAT SOME MATERIAL MAY
BE ADDED OR OMITTED DURING PRESENTATION.

As all of you have read or seen in media reports, President Bush will soon unveil a comprehensive health care reform proposal. Obviously, therefore, I am not in a position this afternoon to detail what the President will say. But I can tell you in general terms where this Administration is headed on health care reform, so you can see that we are serious about making comprehensive and fundamental improvements in our health care system.

Health care reform is a complex task, not susceptible to easy solutions. Clearly, members of NAW -- as founders of the Health Equity Action League -- recognize the seriousness and complexity of this challenge.

I want to be clear, up front, what this Administration's mission is: to provide AFFORDABLE health care SECURITY for every American, while maintaining the superior standards of our system. We will not support such simplistic, cumbersome, bureaucratic schemes as national health insurance or its precursor, "pay-or-play," which promise universal access, but in reality, would deliver access that is a mile wide and an inch deep in coverage and timely availability.

"Pay-or-play" should really be called "pay-and-pay-some-more." To take just one example: today, health care costs consume 17 percent of Chrysler Corporation's payroll costs. The bill before the Senate would let companies pay taxes of 7 or 9 percent of payroll, in lieu of direct coverage.

The compelling economics for Chrysler -- and all other companies in a similar situation -- would be to move employees into the new public system. But this begs the question: Would the new public system ever be able to support itself at the level of payroll tax proposed? Some estimate that an additional \$36 billion would be needed. If we could not raise the taxes to pay for this burden, we would quickly create a new inferior class of health insurance for those in the public system.

America needs reforms that preserve quality of care, improve access and control costs. This Administration's vision is of a rising tide in American health care which lifts all ships, not of one which would herd all citizens into an inadequate lifeboat.

This mission follows from three primary problems in our current system:

First, most Americans -- over 85 percent, in fact -- receive the most advanced health care in the world. Under the President's proposal, they will continue to do so, but will be joined in this national legacy by their fellow citizens who are currently outside the system -- most typically because they lack health insurance, but also because health care simply may not be readily available.

Second, it is also true that, of this 85 percent who have access to the system, the cost of care and the security of access to that care is increasingly troublesome. In a way, this imperative for health care reform results from a paradox. The very richness of health insurance that most Americans receive insulates both them and health care providers from the true cost of care. In turn, this market distortion causes a ratcheting-up of spending, and exacerbates the problem of access for those without insurance, and affordability for those with it.

Third, no matter what changes we finally make in our health care system, very little improvement in the cost of care and the health of our people will result until each of us takes greater responsibility for our behavior.

From these root problems, numerous off-shoot dilemmas branch out into the health care delivery system. For example:

- o As employers you must grapple with ballooning payroll costs due to rising insurance premiums. This is becoming an increasing burden on your ability to compete in the marketplace.

- o At the same time, workers see their out-of-pocket health care costs climbing, and the spending power of their paychecks falling.

- o Self-employed persons -- or other workers not covered by an employer-sponsored plan -- face the prospect of insurance premiums simply beyond their ability to pay.

- o Insurers are hit with the effects of some businesses opting-out of providing health care benefits because they can no longer afford it. They feel the effects of cost-shifting by providers trying to recoup for the significant amount of care they give without compensation. Thus, they are forced into intensified competition for low-risk policy holders, and they avoid those who actually need insurance coverage.

- o For their part, health care providers, and particularly hospitals, must cope not only with the problem of uncompensated care; they must also deal with overloaded, and inappropriately used emergency rooms, because most of the uninsured don't have a regular doctor, and don't seek regular medical care early, nor do they obtain preventive care.

- o Governments at all levels are saddled with the costs of health care programs consuming a percentage of spending never imagined when those programs were started.

Goals

What, then, are the goals of this Administration in health care reform? I'll repeat them now in greater detail. There are three fundamental goals that frame the President's comprehensive reform plan: first, ACCESS to health care for every American; second, SECURITY for those who now have insurance so that they need not fear losing it; and third, AFFORDABLE CHOICE for individuals as they seek and obtain health care. Let me elaborate briefly these themes.

Access

We need to provide better ACCESS to health insurance, while maintaining quality -- first, for unemployed Americans without health care coverage to be able to obtain insurance; and second, for those who are employed, to make health insurance more affordable to them and their employers, particularly small businesses.

A corollary concern is that access to health insurance does not automatically translate into access to health care. For the children of the poor and near poor and those citizens living in medically underserved rural and inner city areas, there is a need for more readily available primary care.

Security

Our second fundamental goal of providing security simply means that we want to preserve what most people have -- that no one who has insurance will have to fear losing it because of illness or job change. We will seek to:

- o Assure that anyone with insurance can change a job without losing coverage;
- o Prohibit excessive premium increases after a major medical expense; and, in a similar vein....

- o Assure that employers do not lose their group coverage because of an illness suffered by an employee or a member of his or her family.

Choice

Yet, it is not enough merely to assure access, security and affordability; we must likewise assure choice. What has helped to create the superior achievements of American medicine is the absence of burdensome restrictions. We believe a system based in private insurance will best preserve freedom of choice. Requiring everyone to have the same benefit package, or making government the czar of price setting and deciding what services should be offered would be nothing short of a disaster.

Costs

The final imperative for our health care reform package is real, long-lasting, self-sustaining cost containment. We do not believe in artificial price controls. We believe in addressing the root causes of cost inflation and changing the incentives in the system to reward cost moderation. Our approach will, for example, address:

- o Malpractice reforms;
- o Administrative costs in both the public and private health insurance systems;

- o Barriers to high quality, cost-effective coordinated care for Medicaid and Medicare participants, and for the broader public.
- o The use of more effective health care procedures through effectiveness research; and
- o The importance of individual behavior.

Conclusion

The stakes involved in the health care debate have been overly characterized in the media in political terms. In reality, the stakes are much higher -- they embody what we hope to become as a society.

The stakes include ideology and philosophy -- whether we want to remain true of our commitment to choice and the private sector in health care delivery, or run counter to our long success with it -- and counter to the trend in the world today -- by starting down the muddy road of centralized planning.

The stakes also involve our economic well-being -- whether we can reduce the growing drain on our national finances and still continue to provide quality care.

And the stakes are societal -- whether we can efficiently provide a basic human need for all our citizens, or whether we are going to have a growing chasm between the haves and the have-nots in health care.

I applaud the National Association of Wholesalers for your positive contribution to this debate, and I applaud each of you for your involvement.

I invite your support when the President announces what you will see as a sweeping, well considered reform of this country's health care system.

###



92 JAN 3 10 51 AM '92
OFFICE OF THE VICE PRESIDENT
WASHINGTON

February 3, 1992

MEMORANDUM FOR TONY SNOW

FROM: JOHN COHRSEN *JL*

SUBJECT: COMMENTS ON GREATER CLEVELAND GROWTH ASSN. SPEECH

I have a few minor suggestions.

page 2. third full paragraph, fourth line, replace
"nationalized" with "socialized"

page 4. bottom paragraph, second line, add the phrase " or ✓
voucher" after "credit"

page 5. third full paragraph, after last line, "Efforts
led by my Council on Competitiveness are attacking excessive
legal costs through a set of civil justice reforms."

cc: Phil Brady

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/1/92 ACTION/CONCURRENCE/COMMENT DUE BY: MONDAY, 4:00 PM, 2/3/92

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, with a copy to this office NO LATER THAN 4:00 PM, MONDAY, FEBRUARY 3. Thank you.

RESPONSE:

*Ok - two thoughts on page 2.
PH SR*

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

McGroarty/Bunton
January 31, 1992
3:00 pm
[health]

02 JAN 31 P4:29

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992
XX:00 A.M.

[Introductory acknowledgements.] I'm pleased to be back in Cleveland, capital city of the North Coast. [[opening humor...]]

People who know Northern Ohio know this region's outgrowing the old rustbelt image. Cleveland Clinic is world-renown -- and it is now the city's number one employer. Northern Ohio is also home to some of the most innovative approaches to health care. / That's why I've chosen this morning to address the health care crisis -- and lay out my five-point program for comprehensive health care reform. //

Reform is urgent -- for more reasons than one. / The crisis I mentioned isn't in quality of care. American health care is first-rate, the best in the world. But the cost has skyrocketed: from xxx in 19-- to \$800 billion dollars' today. And if we keep going at the same rate, that \$800 billion will double to \$1.6 trillion by the year 2000.

These numbers alone would make the case for reform. But cold statistics don't show us the worry people feel -- the all-too-familiar fear about what happens to their health care if they lose their job -- or even if they leave their job for a better one. // Right now, one in every seven Americans is uninsured. And in these hard times, millions more Americans worry that if

they lose their job, they lose more than their paycheck -- they lose their health insurance as well. //

There's a better way. But the question is whether we'll settle on sensible reforms -- or whether we'll force ourselves to swallow a cure worse than the disease. Before I detail my plan, let's take a look at some of the alternatives out there, and what they'd do ~~to~~ to -- America's health.

This would sound like a verbal stumble.

Begin with a prescription for disaster: we can nationalize the health system. Put government in control of the system: let government control the prices, let government ration the kind of health care people get -- let government tell people looking for care how much they'll get, what kind, and when.

That's the way it's done right now across Lake Erie. Yes, Canada's system covers everyone. That's the goal we're striving for -- but keep in mind the drawbacks that come with a nationalized system: the waiting lists for surgery, the limits on which doctor you see -- the shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. // {Let me cite just one example: in all of Canada, you'll find only 12 M.R.I. machines. *-- Magnetic Resonance Imaging* There are three right at the Cleveland Clinic alone.}

And in the end, nationalizing health care pushes costs even higher. Some studies of Canadian-style plans now circulating in the Congress estimate the average American family would see its taxes increase more than \$4000 dollars a year. // You get the

worst of both worlds: No one has an incentive to control costs -
- and everyone pays. //

Anyone who's spent months checking the mail for that income tax refund -- or tried to track down a missing social security check -- or whiled away a day in line at the DMV is going to think long and hard before they let the government play doctor. Nationalized health care would be a national disaster. //

But there are other proposals out there, equally harmful. One's called "Play or pay." Each employer "plays" -- provides insurance for his employees, or they "pay" -- a payroll tax to finance government health coverage. This scheme, says its advocates, gives employers a choice. // So does the guy with the gun in your back when he says: "Your money or your life."

Businessmen and women tell me horror stories about health care costs spiralling out of control. Well, Play or Pay will leave a lot of small businesses -- businesses that are on the edge right now -- with a tough choice: They can cut workers' wages across the board to pay for mandated health care, they can fire some workers to cover the rest -- or raise prices, and pass along the cost to the consumer. Some estimates put the jobs lost under "Play or Pay" as high as half-a-million or more -- and the cost to employers at \$30 billion / and counting. //

Strip away the rhetoric, and "Play or pay" is really the back-door route to a nationalized health scheme. It creates incentives for employers to stop offering benefits, and dumps millions of workers into Medicaid. And because Play or Pay

doesn't pay for itself, the American taxpayer will foot the bill.

In other words, the only sure thing about Play or Pay is pay / and pay / and pay. //

Don't look for this analysis from the people pushing Play or Pay. Ask them about the side-effects of their proposal, and they'll say: Take two aspirin -- and call me after the election.

The fact is, we don't have to create a new government bureaucracy to give Americans access to affordable, quality health care. We need a system that delivers -- a system that works for America -- a system that puts quality care within reach of every American family.

That system should be built on 'choice -- not central control. It should keep costs down -- and open up access. But above all, it should allow all Americans to rest a little easier when it comes to health care -- to ease the worry if they change jobs, or if they or their kids develop serious health problems. //

My comprehensive five-point plan meets every one of these common-sense tests. Here's how:

First, we will make health insurance more affordable for low-to-middle income families. For low-income individuals and families, I'm proposing a health insurance credit -- up to \$3,750 dollars a year to help people purchase private health insurance. For middle-income individuals and families, I'm urging Congress to pass a health insurance tax deduction of \$3,750. / Every American family with incomes under \$80,000 {-- that's xx% of all

American families --} will be eligible for either the credit or the tax deduction. They'll find health insurance more affordable -- and they'll be free to choose the plan and the doctors that serve them best.

Second, we will make health care more efficient. Twenty years ago, President Nixon pioneered a new idea in health care - the HMO. Today, I'm asking you to learn a new acronym: HIN - Health Insurance Networks. / Insurance costs are governed by the "law of large numbers:" The larger the group being insured, the lower the cost per individual. The idea behind HIN is to provide incentives for small companies to do what Cleveland's C.O.S.E. [COZY] group has done -- when it brought 10,000 small businesses together to make a joint purchase of health care. By cutting costs, we're going to make health insurance more affordable -- and more affordable means more accessible.

Third, we will wring out waste and excess in the present system. We've targeted malpractice 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 are built into rising doctors' bills -- and passed along to the American people. / And I am challenging the health insurance industry to cut red tape -- to simplify and speed up claims processing.
[Specific challenges.]

Fourth, we will get the growth in federal health programs under control. Right now, {Medicare} can claim a dubious distinction: fastest growing program in the federal budget. We

won't cut benefits. We won't raise premiums. We can make real savings simply by cutting the rate of increase. We've set a target we can reach -- one that will cut the rate of growth from {10.6% to 9.4%}.

Efficiencies like this will help our reform plan pay for itself. //

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Providing affordable care, efficient care, / wringing out excess and waste, controlling federal growth, and getting more health care cost information into the hands of consumers: these five points will create the kind of reform that will give Americans the kind of health care they want and deserve -- and put an end to the worry that keeps them awake at night.

I keep coming back to what works for this country. When we talk about health care, we're talking about matters of the most personal nature -- in some cases, literally, life and death decisions. We don't need to put government between patients and

their doctors. We don't need to create another wasteful federal bureaucracy. We need common sense, comprehensive health care reform -- and we need it now. My five-point plan is the right plan -- a plan that meets our obligation to all Americans by putting hope and health within their reach. //

Once again, my thanks for this warm Cleveland welcome. May God bless the United States of America.

#

① 2 Comments

[Handwritten signature]

92 JAN 3 09:58

McGroarty/Bunton
January 31, 1992
3:00 pm
[health]

32 JAN 31 P4:24

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CLEVELAND, OHIO
FEBRUARY 6, 1992
XX:00 A.M.

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✓

cost access, choice, portability

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change jobs or work,

✓
✓

~~they lose their job, they lose more than their paycheck -- they lose their health insurance as well. //~~

There's a better way. But the question is whether we'll settle on sensible reforms -- or whether we'll force ourselves to swallow a cure worse than the disease. Before I detail my plan, let's take a look at some of the alternatives out there, and what they'd do for -- or to -- America's health.

Begin with a prescription for disaster: we can nationalize the health system. Put government in control of the system: let government control the prices, let government ration the kind of health care people get -- let government tell people looking for care how much they'll get, what kind, and when.

~~That's the way it's done right now across Lake Erie~~
Canada's system covers everyone. That's the goal we're striving for -- but keep in mind the drawbacks that come with a nationalized system: the waiting lists for surgery, the limits on which doctor you see -- the shortages of the high-tech equipment responsible for so many of the miracles of modern medicine. //

Let me cite just one example: in all of Canada, you'll find only 12 M.R.I. machines. There are three right at the Cleveland Clinic alone.

(These are the ones that detect cancer early, identify neurologic tumors, show the way so the doctors can do earliest detection.)
Magnetic Resonance Imaging.

And in the end, nationalizing health care pushes costs even higher. Some studies of Canadian-style plans now circulating in the Congress estimate the average American family would see its taxes increase more than \$4000 dollars a year. // You get the

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3

worst of both worlds: No one has an incentive to control costs -
- and everyone pays. // *It's like the restaurant which serves bad food but on such generous portions.*

Anyone who's spent months checking the mail for that income tax refund -- or tried to track down a missing social security check -- or whiled away a day in line at the DMV is going to think long and hard before they let the government play doctor. Nationalized health care would be a national disaster. //

But there are other proposals out there, equally harmful. One's called "Play or pay." Each employer "plays" -- ~~provide~~ insurance for his employees, or they "pay" -- a payroll tax to finance government health coverage. This scheme, says its advocates, gives employers a choice. // So does the guy with the gun in your back when he says: "Your money or your life."

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11/11/91
312.
12 | 3750
36
150
12
30

For middle-income individuals and families, I'm urging Congress to pass a health insurance tax deduction of \$3,750. / Every American family with incomes under \$80,000 {-- that's xx% of all

is this refundable?

5

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Well over \$5 billion

and hospital costs too
get some figures on that
people like hospitals they are
50's pie. one 50 doctors fees

6

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7

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Once again, my thanks for this warm Cleveland welcome. May God bless the United States of America.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 2/1/92 ACTION/CONCURRENCE/COMMENT DUE BY: MONDAY, 4:00 PM, 2/3/92

PRESIDENTIAL REMARKS: GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO
FEBRUARY 6, 1992

SUBJECT: _____

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SNOW	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	KAUFMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BOSKIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward your comments directly to Tony Snow, Rm. 122, x2930, with a copy to this office NO LATER THAN 4:00 PM, MONDAY, FEBRUARY 3. Thank you.

RESPONSE:

The President has already spelled out why he doesn't want "pay or play" or the Medicaid system. This speech needs more detail on his "play". More fleshing out the learning behind each step - how it is "fair" -

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702

McGroarty/Bunton
January 31, 1992
3:00 pm
[health]

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4GREATER CLEVELAND GROWTH ASSOCIATION
CLEVELAND, OHIO FEBRUARY 6, 1992
12:20 P.M.

DAVE

F

THANK YOU DICK [POGUE, CHAIRMAN OF THE GREATER CLEVELAND GROWTH ASSOCIATION] FOR THAT WARM INTRODUCTION. I'M PLEASED TO BE BACK IN CLEVELAND, CAPITAL CITY OF THE NORTH COAST. HELLO TO BOB HORTON, HEAD OF B.P. {BRITISH PETROLEUM}, A MAN COMMITTED TO THIS GREAT CITY. LAN PATTERSON [COUNCIL OF SMALL ENTERPRISES]. MY GOOD FRIEND, GOVERNOR GEORGE VOINOVICH -- AND LT. GOV. MIKE DEWINE: A TEAM THAT'S PROVIDING TOP-NOTCH LEADERSHIP FOR THIS STATE. I'M ALSO PLEASED TO SEE CONGRESSWOMAN MARY ROSE OAKAR AS WELL AS CONGRESSMEN RALPH REGULA, MIKE OXLEY, AND DAVE HOBSON WHO FLEW OUT HERE WITH ME. SECRETARY OF STATE BOB TAFT GLAD TO HAVE YOU HERE. STATE SENATE PRESIDENT STAN ARONOFF IS OUT IN THE AUDIENCE ALONG WITH A NUMBER OF HIS COLLEAGUES IN THE LEGISLATURE.

A
GOOD THINGS ARE HAPPENING HERE -- FOR THE CLEVELAND CAVS: A GREAT SEASON. [[IN FACT, I TOLD THE GOVERNOR I WAS GOING TO BE SPEAKING TODAY ABOUT THE NUMBER ONE HEALTH ISSUE ON EVERY CLEVELANDER'S MIND, AND HE SAID: MR. PRESIDENT -- MARK PRICE'S LEFT KNEE IS JUST FINE. //]]
A

PEOPLE WHO KNOW NORTHERN OHIO KNOW THIS REGION'S
ON THE MOVE. IN ADDITION TO THE WORLD-RENOWNED
CLEVELAND CLINIC -- NOW THE CITY'S NUMBER ONE EMPLOYER
-- NORTHERN OHIO IS ALSO HOME TO SOME OF THE MOST
INNOVATIVE APPROACHES TO HEALTH CARE. C.O.S.E. [COZY]
AND CLEVELAND HEALTH QUALITY CHOICE ARE PIONEERS:
COMMUNITIES ACROSS THE COUNTRY CAN FOLLOW YOUR LEAD TO
CREATE WORKABLE SOLUTIONS TO HEALTH CARE CHALLENGES. /
THAT'S WHY I'VE CHOSEN TO COME TO CLEVELAND THIS
MORNING TO ADDRESS THE HEALTH CARE CRISIS -- AND LAY
OUT MY FOUR-POINT PROGRAM FOR COMPREHENSIVE HEALTH CARE
REFORM. //

REFORM IS URGENT -- FOR MORE REASONS THAN ONE. /
RIGHT NOW, FAR TOO MANY AMERICANS ARE UNINSURED -- AND
THOSE WHO ARE INSURED PAY TOO MUCH FOR HEALTH CARE.
AND WE'RE GOING TO DO SOMETHING ABOUT THAT. //

THE ONE THING THIS CRISIS ISN'T ABOUT IS QUALITY OF CARE. AMERICAN HEALTH CARE IS FIRST-RATE, THE BEST IN THE WORLD. AND RIGHT NOW, THE VAST MAJORITY OF AMERICANS HAVE ACCESS TO THAT HEALTH CARE SYSTEM. BUT THE COST HAS SKYROCKETED: FROM \$74 BILLION DOLLARS IN 1970 TO \$800 BILLION DOLLARS TODAY. AND IF WE KEEP GOING AT THE SAME RATE, THAT \$800 BILLION WILL DOUBLE TO \$1.6 TRILLION BY THE YEAR 2000.

THESE NUMBERS ALONE WOULD MAKE THE CASE FOR REFORM. THEY TELL US THERE'S A CONNECTION WE SIMPLY CAN'T IGNORE BETWEEN WHAT WE PAY FOR HEALTH CARE AND THE LONG-TERM HEALTH OF OUR ECONOMY. BUT COLD STATISTICS DON'T SHOW US THE WORRY PEOPLE FEEL -- THE ALL-TOO-FAMILIAR FEAR ABOUT WHAT HAPPENS TO THEIR HEALTH CARE IF THEY CHANGE JOBS -- OR WORSE STILL, IF THEY LOSE THEIR JOBS. // AND IN THESE HARD TIMES, WE SIMPLY CANNOT ACCEPT THE FACT THAT ONE IN EVERY SEVEN AMERICANS IS UNINSURED. //

THERE'S A BETTER WAY. / MY PLAN PUTS THE EMPHASIS ON EXPANDING ACCESS -- WHILE PRESERVING THE CHOICE PEOPLE NOW HAVE OVER THE TYPE OF HEALTH COVERAGE AND HEALTH CARE THEY RECEIVE. MY PLAN WILL GIVE AMERICANS A GREATER SENSE OF SECURITY -- HELP EASE THE FEARS SO MANY AMERICANS HAVE THAT CHANGING JOBS WILL COST THEM THEIR HEALTH COVERAGE: THE KEY HERE IS PORTABILITY -- CHANGING THE SYSTEM TO ENSURE PEOPLE THEY'LL ALWAYS HAVE ACCESS TO HEALTH INSURANCE -- NO MATTER WHERE THEY WORK. // FINALLY, MY PLAN WILL CUT COSTS. IT HELPS US MAKE HEALTH INSURANCE MORE AFFORDABLE -- AND MORE AFFORDABLE MEANS MORE ACCESSIBLE.

MY PLAN WILL PRESERVE WHAT WORKS -- AND REFORM WHAT DOESN'T. AND ABOVE ALL, IT WILL ENSURE EVERY AMERICAN UNIVERSAL ACCESS TO AFFORDABLE HEALTH INSURANCE. //

WE STAND AT A CROSSROADS. WE CAN MOVE FORWARD TO
DRAMATICALLY REFORM OUR MARKET-BASED SYSTEM -- OR WE
CAN FORCE OURSELVES TO SWALLOW A CURE WORSE THAN THE
DISEASE.

SOME PEOPLE HAVE SCRIBBLED OUT A PRESCRIPTION FOR
DISASTER: THEY WANT TO NATIONALIZE THE HEALTH SYSTEM.
PUT GOVERNMENT IN CONTROL OF THE SYSTEM: LET
GOVERNMENT CONTROL THE PRICES, LET GOVERNMENT RATION
THE KIND OF HEALTH CARE PEOPLE GET -- LET GOVERNMENT
TELL PEOPLE LOOKING FOR CARE HOW MUCH THEY'LL GET, WHAT
KIND, AND WHEN.

NATIONALIZED SYSTEMS COVER EVERYONE. BUT KEEP IN MIND THE DRAWBACKS THAT COME WITH A NATIONALIZED SYSTEM: LONG WAITING LISTS FOR SURGERY -- SHORTAGES OF THE HIGH-TECH EQUIPMENT RESPONSIBLE FOR SO MANY OF THE MIRACLES OF MODERN MEDICINE. // LET ME CITE JUST ONE EXAMPLE: THE CLEVELAND CLINIC PERFORMS 10 CORONARY BYPASS SURGERIES A DAY. HIGH TECH, HIGH QUALITY SURGERY -- WITHOUT ANY WAIT. BUT IF YOU LIVE IN BRITISH COLUMBIA, THE WAIT FOR CORONARY BYPASS SURGERY IS SIX MONTHS. IT'S NO WONDER SO MANY PEOPLE FROM ABROAD COME TO AMERICAN HOSPITALS FOR SURGERY.

WHEN YOU NATIONALIZE HEALTH CARE, YOU PUSH COSTS HIGHER -- FAR HIGHER. SOME STUDIES ESTIMATE THAT NATIONALIZED HEALTH CARE WOULD COST THE AVERAGE AMERICAN FAMILY A HUGE NEW TAX BURDEN -- FOR THE NATION, A STAGGERING \$250 TO \$500 BILLION DOLLARS A YEAR IN NEW TAXES. //

SUCH A MASSIVE TAX INCREASE IS SIMPLY UNACCEPTABLE. //

AND FOR THAT PRICE, YOU GET THE WORST OF BOTH
WORLDS: NO ONE HAS AN INCENTIVE TO CONTROL COSTS --
AND EVERYONE PAYS. //

BUT THERE ARE OTHER PROPOSALS OUT THERE THAT SOUND
SIMPLE, BUT ARE EVERY BIT AS HARMFUL. ONE'S CALLED
"PLAY OR PAY." EACH EMPLOYER MUST "PLAY" -- MEANING:
PROVIDE INSURANCE FOR EMPLOYEES, OR "PAY" -- A PAYROLL
TAX TO FINANCE GOVERNMENT HEALTH COVERAGE.

BUSINESSMEN AND WOMEN TELL ME HORROR STORIES ABOUT HEALTH CARE COSTS SPIRALLING OUT OF CONTROL. WELL, PLAY OR PAY WILL LEAVE A LOT OF SMALL BUSINESSES -- BUSINESSES STRUGGLING ON THE EDGE OF SURVIVAL RIGHT NOW -- WITH A TOUGH CHOICE: THEY CAN CUT WORKERS' WAGES TO PAY FOR MANDATED HEALTH CARE, THEY CAN FIRE SOME WORKERS TO COVER THE WORKERS THEY KEEP -- OR THEY CAN RAISE PRICES, AND PASS ALONG THE COST TO THE CONSUMER. SOME STUDIES PUT THE COST IN JOBS LOST UNDER "PLAY OR PAY" AS HIGH AS HALF-A-MILLION OR MORE. // LOWER WAGES, LOST JOBS, HIGHER COSTS: ANY WAY YOU LOOK AT IT -- THAT'S THE WRONG CHOICE FOR AMERICA. //

STRIP AWAY THE RHETORIC, AND "PLAY OR PAY" JUST
CREATES A BACK-DOOR ROUTE TO NATIONALIZED HEALTH CARE.
IT ENCOURAGES EMPLOYERS TO STOP OFFERING BENEFITS,
THROW THE PROBLEM IN THE GOVERNMENT'S LAP, AND DUMP
MILLIONS OF FULLY-INSURED WORKERS INTO A PUBLIC PLAN
LIKE MEDICAID. AND BECAUSE THE NEW EMPLOYER TAXES IN
PLAY OR PAY DON'T PAY FOR THE PROGRAM -- THE AMERICAN
TAXPAYER WILL FOOT THE BILL. / I'M NOT ABOUT TO LET
THAT HAPPEN. //

YOU WON'T HEAR THIS FROM THE PEOPLE PUSHING PLAY
OR PAY. ASK THEM ABOUT THE SIDE-EFFECTS OF THEIR
PROPOSAL, AND THEY'LL SAY: TAKE TWO ASPIRIN -- AND
CALL ME AFTER THE ELECTION. //

I DON'T BELIEVE PEOPLE WANT TO BE SHOVELED INTO SOME NEW HEALTH CARE BUREAUCRACY. THEY WANT GOOD HEALTH. // A LARGE PART OF THE ANSWER IS PREVENTION: EVERY ONE OF US CAN MAKE CHANGES IN OUR BEHAVIOR TO REDUCE THE RISK OF DISEASE AND ILLNESS. {PARDON ME FOR BEING OLD-FASHIONED, BUT WHAT WE'RE TALKING ABOUT IS BEHAVIOR -- DRUGS, ALCOHOL ABUSE, RISKY SEXUAL BEHAVIOR -- YOU KNOW WHAT I'M TALKING ABOUT -- AND THERE'S NOTHING WRONG WITH THAT.} / TOMORROW, IN SAN DIEGO, I'LL FOCUS IN MORE DETAIL ON THE WAYS PREVENTION CAN HELP PEOPLE LIVE HEALTHIER LIVES -- AND HELP KEEP OUR ECONOMY HEALTHY, TOO.

bad formulation

BUT TODAY, I WANT TO FOCUS ON THE HEALTH CARE SYSTEM -- ON ^{THIS} MY COMPREHENSIVE, MARKET-BASED REFORM PLAN. / THE FACT IS, WE DON'T HAVE TO CREATE A NEW GOVERNMENT BUREAUCRACY TO GIVE AMERICANS ACCESS TO AFFORDABLE, QUALITY HEALTH CARE. WE NEED A SYSTEM THAT DELIVERS -- A SYSTEM THAT WORKS FOR AMERICA -- A SYSTEM THAT PUTS QUALITY CARE WITHIN REACH OF EVERY AMERICAN FAMILY.

OUR SYSTEM SHOULD BE BUILT ON CHOICE -- NOT
CENTRAL CONTROL. IT SHOULD KEEP COSTS DOWN -- AND OPEN
UP ACCESS. BUT ABOVE ALL, IT SHOULD ALLOW ALL
AMERICANS TO REST SECURE WHEN IT COMES TO HEALTH CARE
-- TO EASE THEIR WORRY 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 COMPREHENSIVE FOUR-POINT PLAN MEETS EVERY ONE
OF THESE COMMON-SENSE TESTS. HERE'S HOW:

POINT ONE: WE WILL 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 DOLLARS A YEAR
TO GUARANTEE PEOPLE, EVEN PEOPLE TOO POOR TO FILE
TAXES, THE ABILITY TO PURCHASE PRIVATE HEALTH
INSURANCE. THAT WILL GIVE THESE FAMILIES A CERTIFICATE
OR VOUCHER TO BE USED STRICTLY FOR HEALTH CARE WORTH
MORE THAN \$300 DOLLARS 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 COMMITMENT TO CHOICE AT ITS
BEST.

FOR MIDDLE-INCOME INDIVIDUALS AND FAMILIES, I PROPOSE A HEALTH INSURANCE TAX DEDUCTION OF \$3,750. / AMERICAN FAMILIES WITH INCOMES UNDER \$80,000 WILL RECEIVE NEW HELP FROM EITHER THE CREDIT OR THE TAX DEDUCTION. LET ME TELL YOU WHAT THAT MEANS: NEW HELP TO PURCHASE HEALTH INSURANCE FOR 95 MILLION AMERICANS.


ONCE AGAIN, THIS INSURANCE WILL BE PORTABLE: PEOPLE WHO CHANGE JOBS WOULD HAVE INSURANCE REGARDLESS OF THEIR HEALTH -- AND THIS IS IMPORTANT -- OR THEIR FAMILY'S HEALTH.

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. ///

THAT'S THE FIRST POINT IN ^{this} ~~MY~~ FOUR-POINT PLAN:
ACCESS. POINT TWO: WE WILL CUT THE RUNAWAY COSTS OF
HEALTH CARE BY MAKING THE SYSTEM MORE EFFICIENT.
TODAY, I'M ASKING YOU TO LEARN A NEW ACRONYM: H.I.N. -
- HEALTH INSURANCE NETWORKS. / INSURANCE COSTS OBEY
THE "LAW OF LARGE NUMBERS:" THE LARGER THE GROUP BEING
INSURED, THE LOWER THE COST PER INDIVIDUAL. "POOLING"
LOWERS INSURANCE COSTS -- AND SIGNIFICANTLY CUTS
ADMINISTRATIVE COSTS. H.I.N.'S WILL PROVIDE
INCENTIVES FOR SMALL COMPANIES TO DO WHAT CLEVELAND'S
C.O.S.E. [COZY] GROUP HAS DONE -- WHEN IT BROUGHT
10,000 SMALL BUSINESSES TOGETHER TO MAKE A JOINT
PURCHASE OF HEALTH CARE.

ANOTHER WAY TO DRIVE COSTS DOWN: MAKE EVERYONE A BETTER HEALTH CARE CONSUMER. RIGHT NOW, MOST PEOPLE PAY MORE ATTENTION TO THE PRICE OF TOOTHPASTE THAN THE COMPARATIVE COSTS OF HEALTH CARE. PEOPLE DON'T WASTE MUCH TIME THINKING ABOUT THE COSTS OF THEIR CARE -- BUT IN THE END, WE ALL PAY THE PRICE. WE NEED TO FOLLOW THE LEAD OF INITIATIVES LIKE CLEVELAND HEALTH QUALITY CHOICE -- PROGRAMS THAT GIVE PEOPLE "SHOPPING" FOR HEALTH CARE A KIND OF "BLUE BOOK" FOR MEDICAL COSTS. // INNOVATIONS LIKE THESE WILL HELP ALL OF US KEEP THE COSTS OF QUALITY HEALTH CARE AS LOW AS POSSIBLE.

POINT THREE: WE WILL WRING OUT WASTE AND EXCESS IN THE PRESENT SYSTEM. WE'VE TARGETED MEDICAL MALPRACTICE FOR REFORM. IT'S TIME TO PUT AN END TO THESE ASTRONOMICAL, SKY'S-THE-LIMIT LAWSUITS. // YOU SHOULDN'T HAVE TO PAY A LAWYER WHEN YOU GO TO THE DOCTOR. ///




AND OUR DOCTORS -- THE MOST ABLE AND DEDICATED IN THE WORLD -- SHOULDN'T BE LIVING IN FEAR OF THESE OUTRAGEOUS LAWSUITS. //

HIGH MALPRACTICE PREMIUMS MEAN HIGHER DOCTORS' BILLS, HIGHER HOSPITAL COSTS -- COSTS PASSED ALONG NOT ONLY TO THE PATIENT, BUT TO EVERY AMERICAN TAXPAYER. /

I HAVE CHALLENGED THE HEALTH INSURANCE INDUSTRY TO CUT RED TAPE -- TO SHARE COMMON FORMS, AND TO SIMPLIFY AND SPEED UP CLAIMS PROCESSING. HERE'S A CHALLENGE FOR THE NEXT FOUR YEARS: THERE IS NO REASON ALMOST ALL HEALTH INSURANCE CLAIMS CAN'T BE PROCESSED ELECTRONICALLY. THAT SINGLE STEP WOULD ELIMINATE A MOUNTAIN OF HEALTH CARE PAPERWORK AND PARE BACK COSTS.

[[WE'VE GOT TO ATTACK THE EXCESSES OF MANDATED BENEFITS. WHEN STATES NOW ORDER HEALTH INSURERS TO COVER A THOUSAND DIFFERENT TYPES OF TREATMENT -- SOMETHING'S GONE WRONG. NEXT, THEY'LL BE COVERING MANICURES FOR MY DOG MILLIE.]]



GO BACK AND LISTEN TO THE RHETORIC AT THEIR INCEPTION

FOURTH AND FINALLY, WE WILL GET THE GROWTH IN GOVERNMENT HEALTH PROGRAMS UNDER CONTROL. RIGHT NOW, GOVERNMENT HEALTH CARE PROGRAMS CAN CLAIM A DUBIOUS DISTINCTION: THEY ARE THE FASTEST GROWING PARTS IN THE FEDERAL BUDGET. THIS YEAR ALONE, MEDICAID COSTS WILL INCREASE BY 38 PERCENT. / WE WILL NOT -- REPEAT NOT -- CUT BENEFITS. WE CAN MAKE REAL SAVINGS SIMPLY BY REDUCING THIS HUGE RATE OF INCREASE. / WE MUST BRING RUNAWAY COSTS UNDER CONTROL. //

SMART, SENSIBLE EFFICIENCIES WILL HELP OUR REFORM PLAN PAY FOR ITSELF. //

THE FEDERAL GOVERNMENT SHOULD ALSO GIVE STATES THE FLEXIBILITY TO DESIGN NEW UNIVERSAL ACCESS PROGRAMS FOR THE POOR -- PROGRAMS THAT WILL PROVIDE QUALITY SERVICES TO ALL THEIR CITIZENS. I'VE JUST MET WITH THE GOVERNORS -- THEY WANT FLEXIBILITY, AND WE'LL GIVE IT TO THEM. RIGHT HERE IN OHIO, GOVERNOR VOINOVICH HAS PROPOSED HEALTH CARE REFORMS THAT WILL DO FOR THIS STATE WHAT WE WANT TO DO ON THE FEDERAL LEVEL. / STATES SHOULD BE ABLE TO USE NEW FEDERAL RESOURCES TO DESIGN PROGRAMS THAT WORK -- NOT ONE-SIZE-FITS-ALL SOLUTIONS IMPOSED BY WASHINGTON.

PROVIDING AFFORDABLE CARE, EFFICIENT CARE, / WRINGING OUT EXCESS AND WASTE AND CONTROLLING FEDERAL GROWTH: THESE FOUR POINTS WILL CREATE THE KIND OF MARKET-BASED REFORM PLAN THAT WILL GIVE AMERICANS THE KIND OF HEALTH CARE THEY WANT AND DESERVE -- AND PUT AN END TO THE WORRY THAT KEEPS THEM AWAKE AT NIGHT.

REMEMBER WHAT PEOPLE WANT. PEOPLE WANT QUALITY CARE / CARE THEY CAN AFFORD / CARE THEY CAN COUNT ON.

I KEEP COMING BACK TO WHAT WORKS FOR THIS COUNTRY.
// THINK ABOUT THE CHALLENGES WE FACE AS A NATION:
ANYONE WHO IS CONCERNED ABOUT COMPETITIVENESS HAS TO
SEE CONTROLLING HEALTH CARE COSTS AS KEY TO A HEALTHY
ECONOMY. / WE'VE GOT TO MAKE CERTAIN OUR REFORM
CORRECTS OUR WEAKNESSES WITHOUT DESTROYING OUR
STRENGTHS. / WHEN WE TALK ABOUT HEALTH CARE, WE'RE
TALKING ABOUT MATTERS OF THE MOST PERSONAL NATURE -- IN
SOME CASES, LITERALLY, LIFE AND DEATH DECISIONS. WE
DON'T NEED TO PUT GOVERNMENT BETWEEN PATIENTS AND THEIR
DOCTORS. WE DON'T NEED TO CREATE ANOTHER WASTEFUL
FEDERAL BUREAUCRACY. THIS PRESIDENT WON'T LET THAT
HAPPEN. //

WE NEED COMMON SENSE, COMPREHENSIVE HEALTH CARE REFORM -- AND WE NEED IT NOW. MY PLAN IS THE RIGHT PLAN -- A PLAN THAT MEETS OUR OBLIGATION TO ALL AMERICANS BY PUTTING HOPE AND HEALTH WITHIN THEIR REACH. //

Cleveland has led the way hospital

ONCE AGAIN, MY THANKS FOR THIS WARM CLEVELAND WELCOME. MAY GOD BLESS THE UNITED STATES OF AMERICA.

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most appropriate