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Folder Title:
Coordinated Health Care Event 5/13/92 [OA 6102]

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COORDINATED HEALTH CARE EVENT \ BALTIMORE, MARYLAND
WEDNESDAY, MAY 13, 1992 \ 3:15 P.M.

THANKS, DR. [ROBERT] HEYSSEL [HI-SIL]. I UNDERSTAND YOU'LL RETIRE IN A FEW WEEKS AS CEO OF JOHNS HOPKINS HEALTH SYSTEM, AFTER 20 YEARS OF BUILDING BRIDGES WITH THIS COMMUNITY. YOU'LL LEAVE A GREAT LEGACY -- THAT NEW OUTPATIENT CLINIC WHICH BEARS YOUR NAME AND OPENS FOR BUSINESS NEXT MONDAY. WE ALSO HAVE WITH US TODAY HHS SECRETARY SULLIVAN, CONGRESSMAN CARDIN, AND GOVERNOR SCHAEFER.

- 2 -

WE ALSO HAVE WITH US TODAY MEMBERS OF THE BALTIMORE CITY COUNCIL AND THE MARYLAND LEGISLATURE. AND I'M GLAD TO SEE ROBERT WINTERS, CEO OF THE PRUDENTIAL, WHO'S MET WITH ME AT THE WHITE HOUSE TO DISCUSS THE FUTURE OF HEALTH CARE.

I'M VERY GLAD TO BE HERE AT DUNBAR HIGH, HOME OF THE DUNBAR POETS. WITH THEIR UNBEATEN STREAK -- MAYBE PETE POMPEY [POM-PA] SHOULD BECOME MY ADVISOR.

I WAS INTERESTED TO HEAR ABOUT YOUR SCHOOL'S COOPERATIVE HEALTH STUDIES PROGRAM WITH JOHNS HOPKINS -- WHICH IS NOT ONLY ON A SUMMIT IN BALTIMORE, BUT IS AT THE SUMMIT OF MEDICAL EXCELLENCE. IT'S TERRIFIC THAT NEARLY 20% OF DUNBAR'S STUDENT BODY IS INVOLVED IN THIS HEALTH STUDIES PROGRAM. I ALSO WANT TO RECOGNIZE ANOTHER INSTITUTION THAT CALLS DUNBAR HOME -- SOJOURNER-DOUGLASS COLLEGE, FOR ITS STRONG COMMITMENT TO THE BALTIMORE COMMUNITY.

BEFORE I GO FARTHER, I WANT TO TOUCH ON AN ISSUE THAT I KNOW INTERESTS EVERYONE CONCERNED ABOUT CONDITIONS IN AMERICA'S INNER CITIES -- AND ESPECIALLY IN LOS ANGELES. IN ADDITION TO FEMA AND SBA ASSISTANCE, THE FEDERAL HOME LOAN BANK SYSTEM WILL MAKE AVAILABLE \$600 MILLION DOLLARS -- TO FINANCE THE REBUILDING OF HOUSING AND BUSINESSES IN LOS ANGELES.

THESE LOANS -- MADE THROUGH THE COMMUNITY INVESTMENT PROGRAMS -- ARE GOOD NEWS FOR THE PEOPLE WHO LOST HOMES AND JOBS AS WELL AS THE OWNERS WHO LOST BUSINESSES DUE TO THE UNREST, AND IT'S ONE WAY WE CAN UNDERSCORE THE FACT THAT WE ARE SERIOUS ABOUT HELPING LOS ANGELES RECOVER.

BEYOND OUR URGENT EMERGENCY AID, WE'VE GOT TO TAKE ACTION TO BRING HOPE AND OPPORTUNITY TO LOS ANGELES -- AND TO ALL AMERICAN CITIES.

YESTERDAY, I CALLED CONGRESSIONAL LEADERS TO THE WHITE HOUSE -- REPUBLICAN AND DEMOCRAT. I OUTLINED MY 6-POINT PLAN FOR A NEW AMERICA: OUR WEED AND SEED ANTI-CRIME INITIATIVE. OUR HOPE HOUSING INITIATIVE. ENTERPRISE ZONES. EDUCATION REFORM, WELFARE REFORM -- AND A STRONG JOBS PROGRAM FOR CITY YOUTH. I AM PLEASED WITH THE EARLY REACTION TO MY PLAN. IT'S A PROMISING START -- AND WE'LL PUSH AHEAD. //

NOW, TO THE REASON THAT'S BROUGHT US ALL TOGETHER: I'VE JUST HAD THE CHANCE TO SPEND SOME TIME FOUR BLOCKS FROM HERE, IN THE EAST BALTIMORE MEDICAL CENTER -- A TERRIFIC EXAMPLE THE REST OF THE COUNTRY CAN FOLLOW. IT'S BASED ON A SPECIAL KIND OF PUBLIC\PRIVATE PARTNERSHIP -- THE KIND I'VE BEEN ADVOCATING -- IN THIS CASE AMONG JOHN HOPKINS; THE PRUDENTIAL INSURANCE COMPANY; THE STATE OF MARYLAND; AND THE FEDERAL GOVERNMENT.

**THIS PROBLEM-SOLVING PARTNERSHIP ADVANCES COORDINATED CARE -- THE FUTURE OF HEALTH CARE IN THIS COUNTRY. \\
**

THANKS TO THIS PARTNERSHIP, THIS IS THE LARGEST AND FASTEST GROWING MEDICAID HMO IN MARYLAND. IT WAS THERE, EIGHT YEARS AGO, THAT HOPKINS HELPED PIONEER THE CONCEPT OF A MEDICAID HMO. IT'S GREAT TO SEE EBMC'S SUCCESS, BECAUSE IT PROVES WHAT I STRONGLY BELIEVE -- THAT WE CAN MEET THE CHALLENGE OF CONTROLLING HEALTH CARE COSTS WHILE PROVIDING THE FINEST QUALITY SERVICE.

I CONGRATULATE YOU -- FOR WHILE THIS HMO SAVES MEMBERS, EMPLOYERS AND GOVERNMENT MONEY, HEALTH CARE REMAINS FIRST-RATE. \\

THE KEY TO THIS CENTER'S SUCCESS, ESPECIALLY FOR MEDICAID PATIENTS, IS THAT COORDINATED HEALTH CARE MAKES CREATIVE APPROACHES POSSIBLE. IT PROVIDES QUALITY CARE AT A LOWER COST, WITH AN EMPHASIS ON PREVENTION.

IT'S JUST PLAIN COMMON SENSE -- WE'RE BETTER OFF KEEPING PEOPLE HEALTHY RATHER THAN TREATING THEM AFTER THEY'RE SICK. JUST MONDAY, SECRETARY SULLIVAN AND I MET WITH SOME LEADERS OF OUR EFFORT TO IMPROVE INFANT HEALTH AND IMMUNIZATION. THERE'S NOTHING THAT MAKES THE CASE FOR COORDINATED CARE LIKE SEEING HEALTHY KIDS. PREVENTIVE MEDICINE IMPROVES THE QUALITY OF LIFE FOR PATIENTS -- AND SAVES UNNECESSARY EXPENDITURES.

COORDINATED CARE CAN WORK FOR ALL AMERICANS. BUT IT'S ESPECIALLY IMPORTANT FOR MEDICAID RECIPIENTS. IT ENSURES THEY GET CARE WHEN THEY NEED IT, WHERE THEY NEED IT, IN A COST-EFFECTIVE WAY. EBMC PROVES THIS IS A VIABLE ALTERNATIVE TO THE OPPOSITE OF COORDINATED CARE -- THE FEE-FOR-SERVICE SYSTEM. \\\

IT ALSO MEANS BETTER CARE FOR A KID WHO STEPS ON A RUSTY NAIL ON ORLEANS STREET. BEFORE BELONGING TO A COORDINATED CARE CENTER, HE WOULD HAVE GONE TO HOPKINS' E.R.

THEY'D BE SEEING HIM FOR THE FIRST TIME, SO THEY WOULDN'T KNOW IF HE'D HAD A TETANUS SHOT, OR IF HE WERE ALLERGIC TO PENICILLIN. THEY'D HAVE TO SPEND TIME AND MONEY DOING UNNECESSARY TESTS AND DOUBLE-TREATMENT. BUT NOW WHEN HE SHOWS UP AT HIS CENTER'S URGENT CARE UNIT, THEY JUST CHECK HIS HISTORY AND TREAT HIM -- FASTER AND AT A FRACTION OF THE COST. \\\

I'M EXCITED TO SEE SO MANY PIECES OF MY COMPREHENSIVE HEALTH REFORM PROGRAM ALREADY SUCCESSFULLY AT WORK AT EBMC. I INTRODUCED THIS PLAN FEBRUARY 6 TO ADDRESS THE TWIN CHALLENGES OF EXPANDING ACCESS AND CONTAINING COST -- WHILE BUILDING ON THE STRENGTHS OF OUR PRESENT HEALTH CARE SYSTEM. I WAS DETERMINED TO TREAT THE ROOT CAUSES OF OUR PROBLEMS -- NOT JUST THE SYMPTOMS. ABOVE ALL, MY PLAN IS INSPIRED BY THE WORDS OF PHYSICIAN FREDERICK BANTING: "YOU MUST BEGIN WITH AN IDEAL AND END WITH AN IDEAL." \\

IN THE GREATEST, MOST TECHNOLOGICALLY ADVANCED NATION ON THE FACE OF THE EARTH, THERE IS NO REASON THAT ONE OUT OF SEVEN AMERICANS HAS NO HEALTH INSURANCE. WHAT WE MUST DO IS CLEAR -- WE MUST GUARANTEE EVERY AMERICAN ACCESS TO AFFORDABLE HEALTH INSURANCE. \\

IN THIS ELECTION YEAR, IT SEEMS LIKE EVERYONE'S GOT THEIR OWN PRESCRIPTION FOR HEALTH CARE. YES, PEOPLE WANT QUALITY CARE THEY CAN AFFORD AND RELY ON.

BUT WE DON'T NEED TO PUT GOVERNMENT BETWEEN PATIENTS AND THEIR DOCTORS. WE DON'T NEED TO BUILD A NEW FEDERAL BUREAUCRACY. WE NEED COMMONSENSE, COMPREHENSIVE HEALTH CARE REFORM -- AND WE NEED TO START NOW.

SURE, THE OTHER APPROACHES CAN SOUND GREAT, BUT WHAT DO YOU REALLY GET? NATIONAL HEALTH INSURANCE MEANS MORE TAXES, LONG LINES, LONG WAITING LISTS AND LOWER QUALITY CARE. THEIR IDEA FOR COST CONTROL IS FLAT OUT "PRICE FIXING" -- AN IDEA WE KNOW WON'T WORK.

LOOK AT MEDICARE, WHICH ADOPTS SET PRICES FOR MANY SENIORS' HEALTH SERVICES. BUT MEDICARE INFLATION FAR OUTSTRIPPED PRIVATE HEALTH CARE INFLATION IN THE 70S AND 80S AND IS STILL GROWING AT 12% A YEAR. COST CONTAINMENT IS NOT ITS STRONG SUIT. PRICE FIXING BY CONGRESS HAS NEVER WORKED BEFORE -- AND IT NEVER WILL.

THE SO-CALLED "PLAY OR PAY" APPROACH IS EQUALLY UNSOUND. EVEN MANY PROPONENTS ADMIT IT WILL "MELT DOWN" INTO NATIONAL HEALTH INSURANCE WITHIN A FEW YEARS.

IT DOES NOTHING TO ADDRESS THE COST PROBLEM, WHERE PATIENTS DON'T KNOW OR CARE HOW MUCH HEALTH CARE COSTS -- NOTHING, THAT IS, EXCEPT TO, ONCE AGAIN, FIX PRICES. IT'S A PACKAGE FULL OF EMPTY PROMISES.

MY COMPREHENSIVE REFORM PLAN IS BASED ON THESE COMMON SENSE PRINCIPLES: COMPETITION. CONSUMER CHOICE. QUALITY -- AND EFFICIENCY.

WHILE MOST PEOPLE IN THIS COUNTRY ARE PROVIDED THE HIGHEST QUALITY HEALTH CARE IN THE WORLD, MILLIONS OF OTHERS ARE UNINSURED AND MUST BE COVERED.

WE MUST MAKE PEOPLE AWARE OF THE COSTS AND VARYING QUALITY OF CARE, SO THEY'LL BE BETTER CONSUMERS. BUT THERE WILL ALWAYS BE A LIMIT TO HOW COST-SENSITIVE WE CAN MAKE PEOPLE. WHEN A KID FALLS OFF A BIKE AND CRACKS HIS HEAD, NOT MANY PARENTS QUESTION THE COST OF A CAT SCAN OR AN MRI: THEIR KID'S HEALTH IS TOO PRECIOUS TO BARGAIN OVER.

SO THE COMPETITIVE ANSWER MUST BE TO GROUP OUR CONSUMERS TOGETHER.

WE MUST COMBINE SMALL EMPLOYERS -- WHO OFTEN PAY THE BILLS -- AND INDIVIDUALS INTO LARGE, EDUCATED, INFORMED PURCHASING GROUPS THAT CAN DRIVE EFFICIENCIES BACK INTO THE HEALTH CARE SYSTEM. THESE HEALTH INSURANCE NETWORKS WILL POOL CONSUMER INFORMATION, WILL POOL RISK, AND WILL POOL PURCHASING POWER: TO MAKE THE SYSTEM MORE RESPONSIVE TO CONSUMER DEMAND. MY PLAN WILL DRAMATICALLY REFORM OUR MARKET-BASED SYSTEM. IT WILL ASSURE THAT QUALITY CARE IS WITHIN THE REACH OF EVERY AMERICAN FAMILY. IT WILL PRESERVE CHOICE.

IT WILL KEEP COSTS DOWN AND ACCESS UP.

FIRST, MY PLAN WILL CUT THE RUNAWAY COSTS OF HEALTH CARE BY MAKING THE SYSTEM MORE EFFICIENT. WE'LL CALL FOR INNOVATIVE APPROACHES LIKE THE ONE WE SEE HERE IN EAST BALTIMORE. SECOND, IT WILL WRING OUT WASTE AND EXCESS. THIRD, IT WILL CONTROL FEDERAL GROWTH, SINCE HEALTH CARE IS THE FASTEST GROWING PART OF THE FEDERAL BUDGET. FOURTH, MY PLAN WILL MAKE HEALTH CARE MORE ACCESSIBLE BY MAKING IT MORE AFFORDABLE.

WE'LL PROVIDE UP TO \$3750 IN HEALTH INSURANCE CREDIT OR DEDUCTIONS FOR LOW- AND MIDDLE-INCOME FAMILIES AND GUARANTEE ACCESS TO INSURANCE FOR ALL LOW-INCOME AMERICANS. THESE CREDITS, COMBINED WITH MARKET REFORMS, WILL BRING HEALTH INSURANCE TO APPROXIMATELY 30 MILLION UNINSURED AMERICANS.

MARYLAND IS ALREADY GETTING ON BOARD THIS VOUCHER APPROACH WITH BIPARTISAN LEGISLATION.

THE MARYLAND STATE HOUSE HAS OUTLINED A STANDARD HEALTH PACKAGE TO COVER ALL LOW-INCOME MARYLANDERS THROUGH TAX CREDITS. A PROPOSAL TO IMPLEMENT THIS TAX CREDIT PLAN PASSED THE HOUSE A FEW WEEKS AGO AND IS BEING REVIEWED IN THE LEGISLATURE THIS YEAR. UNDER MY PLAN, THIS TYPE OF LOW-INCOME CREDIT WOULD BE AVAILABLE IN ALL STATES -- AND MARYLAND WOULD HAVE THE ABILITY AND FINANCIAL HELP IT NEEDS TO MAKE THIS REFORM A REALITY.

I'VE PROPOSED THE MOST COMPREHENSIVE HEALTH CARE PACKAGE ON THE TABLE. NOW IS THE TIME TO SEE IF CONGRESS IS INTERESTED IN REAL REFORM. MINE IS A PLAN THAT WILL FUNDAMENTALLY RESTRUCTURE HEALTH CARE IN AMERICA.

THERE ARE STEPS WE CAN AND MUST TAKE RIGHT NOW. PART OF MY PLAN ENTAILS SIGNIFICANT REFORM OF THE INSURANCE MARKETS, FOR WHICH THERE IS STRONG BIPARTISAN SUPPORT.

SENATOR BENTSEN, CHAIRMAN ROSTENKOWSKI, SENATE REPUBLICANS AND THE HOUSE REPUBLICAN TASK FORCE ALL SUPPORT VERY SIMILAR REFORMS THAT -- WITH SOME MODIFICATION -- CAN, AND SHOULD, BE PASSED IMMEDIATELY. CONGRESS MUST BEGIN TO MOVE NOW. EVEN IF ALL THEY DO THIS YEAR IS JUST PASS MY INSURANCE MARKET REFORM -- WE'LL AT LEAST GET A START ON CHANGING THE SYSTEM. THESE REFORMS WILL GO A LONG WAY TOWARD CURING THE INEQUITIES IN COST AND COVERAGE UNDER EXISTING HEALTH INSURANCE PRACTICES.

AND THERE'S ANOTHER BIPARTISAN REFORM PACKAGE, PROPOSED BY SENATORS DURENBERGER AND MOYNIHAN, THAT IS IN MOST RESPECTS CONSISTENT WITH MY PLAN AND WOULD PROMOTE MUCH GREATER USE OF COORDINATED CARE IN MEDICAID. EAST BALTIMORE KNOWS THIS WORKS. WE MUST MAKE IT EASIER FOR THE REST OF THE COUNTRY TO FOLLOW YOUR ROAD TO BETTER HEALTH CARE. IN FACT, AS PART OF MY PLAN FOR COMPREHENSIVE REFORM, I WANT TO MAKE COORDINATED CARE THE NORM, NOT THE EXCEPTION, FOR MEDICAID.

WE MUST WORK TOGETHER NOW TO PASS THESE REFORMS THAT WILL PROVIDE MILLIONS OF AMERICANS WITH AFFORDABLE HEALTH COVERAGE: AND GET A LEG UP ON COMPREHENSIVE REFORM.

OUR PLAN DOES EVERYTHING THE GOVERNMENT CAN AND SHOULD DO TO ENSURE THE QUALITY OF LIFE OF EACH CITIZEN OF THIS GREAT LAND. IT DOESN'T PROMISE THE MOON. IT DOES SOMETHING MORE IMPORTANT: IT PROMISES THE FUTURE. REFORM IS NEVER EASY, BUT IN HEALTH CARE IT'S A MUST.

**WE'LL DELIVER WHAT WE SAY WE CAN -- COMPETITION-
DRIVEN, MARKET-BASED REFORM -- AND WE'LL DELIVER IT
PROUDLY. I'LL CONTINUE TO PUSH FOR IT. WE MUST GET
STARTED TODAY.**

**THANK YOU FOR ALL YOU DO -- AND FOR THE BRILLIANT
EXAMPLE EBMC PROVIDES FOR THIS NATION. MAY GOD BLESS
YOU ALL.**

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/11/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TUES., MAY 12

PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT

SUBJECT: WEDNESDAY, MAY 13, 1992
BALTIMORE, MARYLAND

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>additional comments inside</i> DARMAN <i>Scully to DMG N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
✓ CALIO <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	✓ ROLLINS <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
✓ GRAY <i>Renquist 2898 N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
✓ HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			MCGROARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, rm 122, ext. 2930, NO LATER THAN NOON TUESDAY, MAY 12, with a copy to this office.

Thank you.

RESPONSE:

*Dunbar in
acknowledgements*

*CALL + WARN
AT 10 to 10³⁰*

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

(Hinchliffe/Gershowitz)
May 11, 1992 12 p.m.
BALTIMORE Draft One

2 MAY 11 P2:16

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS] I've just had the chance to spend some time four blocks from here, in the East Baltimore Medical Center. Most impressive -- a terrific example the rest of the country can follow. It's based on a special kind of public/private partnership -- the kind I've been advocating -- in this case among Johns Hopkins; The Prudential, a private insurance company; the state of Maryland; and the federal government. This problem-solving partnership heralds the future of health care in this country.

Thanks to this partnership, EBMC is the largest and fastest growing Medicaid HMO in Maryland. It was there, eight years ago, that Hopkins developed the concept of a Medicaid HMO. It's great to see EBMC's success, because it proves what I strongly believe: that health care and insurance industries can meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this HMO saves members, employers and government money, health care remains first-rate.

The key to EBMC's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides coordinated, quality care at a lower cost, while emphasizing prevention and extra benefits, like EBMC's free dental work and great pre-natal care in the Better Beginnings Program. It's just plain commonsense -- we're better off keeping

people healthy rather than treating them after they're sick. Preventive medicine improves the quality of life for patients -- and saves the health care system unnecessary expenditures.

Coordinated care works for all Americans, because it changes the incentives. It's especially important for Medicaid recipients because of the difficulties they face in receiving care. It helps ensure they're given care when they need it, where they need it, and in a cost-effective way. EBMC proves that this kind of care is a viable alternative to the fee-for-service system.

I'm excited to see so many pieces of my Comprehensive Health Reform Program already successfully at work at EBMC. I introduced this plan February 6, to address the twin challenges of expanding access and containing cost -- while building on the strengths of our present health care system. I was determined to treat the root causes of our problems -- not just the symptoms. I think the medical professionals here can understand that. Above all, my plan is inspired by the words of British doctor Sir Frederick Banting: "You must begin with an ideal and end with an ideal."

I'm appalled to think that in the greatest, most technologically advanced nation on the face of the earth, one out of seven Americans has no health insurance. That is a disgrace and we must not tolerate it. What we must do is clear -- We must guarantee every American access to affordable health insurance.

In this election year, it seems like everyone's got their own prescription for health care. Yes, people want quality care they can afford and rely on. But we don't need to put government

between patients and their doctors. We don't need to build a new federal bureaucracy. We need commonsense, comprehensive health care reform -- and we need it now.

Sure, the other approaches can sound great, but what do you really get? National Health Insurance means long lines, long waiting lists and lower quality care. The idea for cost control is flat out "price fixing" -- an idea we know won't work. Some point to Canada: what they don't know, or just don't say, is that Canada's health inflation now outpaces ours. Others point to Medicare, which adopts set prices for many seniors' health services. But Medicare inflation far outstripped private health care inflation in the 70s and 80s and is still growing at 12% a year. Cost containment is not its strong suit. Price fixing by Congress has never worked before -- and it never will.

The so-called Play or Pay approach is equally unsound. Even many proponents admit it will "melt down" into National Health Insurance within a few years. And it does nothing to address the underlying flaws of the health care system or change the dynamics of the way health care is delivered -- except to, once again, fix prices. It's a package full of empty promises. For those of us who still think capitalism is a good idea; for those of us who think markets and competition are what this country is built on and stands for; for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan.

True, the health market hasn't always worked well. Most people are insured, and therefore insulated against the

skyrocketing costs of health care. Millions of others are uninsured and must be covered. But we haven't done anything to reform private health care since WWII. We must make people more aware of the costs and varying quality of care, so that they'll be better consumers.

But there will always be a limit to how cost-sensitive we can make individuals. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT scan or an MRI before given: their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine employers, who often pay the bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These purchasing groups, or Health Insurance Networks, will pool this information, will pool risk, and will pool consumer purchasing power: to make the system more responsive to consumer demand.

My plan will dramatically reform our market-based system. It will put quality care within the reach of every American family. It will preserve choice. It will keep costs down and access up.

Part one of my plan says we'll cut the runaway costs of health care by making the system more efficient. We'll call for innovative approaches -- like the one we see right here in East Baltimore. Part two of my plan says we'll wring out waste and excess by reforming the system. Part three says we'll control federal growth: since health care is the fastest growing part of the federal budget.

And part four of my plan says we'll make health care more accessible by making it more affordable. We'll provide up to \$3750 in health insurance credit or deductions for low- and middle-income families and guarantee access to all low-income Americans. These credits, combined with market reforms, will bring health insurance to almost 30 million uninsured Americans.

Maryland is already getting on board this voucher approach with bipartisan legislation. State Rep. Casper Taylor, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3600 standard health package to cover all low-income Marylanders through tax credits. -The Maryland "Consumer Choice" plan passed the Maryland House a few weeks ago 134-0. This is the type of state reform my plan encourages: under it, Maryland would have much of the flexibility needed to make this reform a reality.

Since we unveiled our reforms three months ago, we've moved ahead with our proposals, following through step by step on everything we outlined in that historic plan. What's most important is that we've put together a health care legislative package -- and we can start to move now.

And now is the time to see if Congress is really interested in passing useful legislation. We've submitted a great plan. It will lift the hearts and ease the pain of literally millions of Americans who today are sick and scared. Congress must move now.

Even if differences in Congress prevent passing my comprehensive package this partisan election year, there are steps we must take. Part of my plan entails significant reform of the

insurance markets, for which there is strong bipartisan support. Senator Bentsen and Chairman Rostenkowski have proposed very similar reforms that can, and should, be passed immediately. These reforms will go a long way toward curing the inequities in cost and coverage under existing health insurance practices.

S. 2077
 And there's another bipartisan reform package, proposed by Senators Durenberger and Moynihan, that's consistent with my plan and would promote much greater use of coordinated care in Medicaid. As those at EMBC know -- this works. We must make it easier for the rest of the country to follow your road to better health care. We must work together now to pass these reforms that will provide millions of Americans with affordable health coverage -- and get a leg up on comprehensive reform.

Our plan does everything the government can and should do to ensure the quality of life of each citizen of this great land. It doesn't promise the moon -- it does something more important. It promises the future. Reform is never easy, but in health care it's a must. We'll deliver what we say we can -- competition-driven, market-based reform -- and we'll deliver it proudly. I will continue to push for it. We must get started today.

Thank you for all you do -- and for the brilliant example EBMC provides for this nation. May God bless you all.

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THE WHITE HOUSE

WASHINGTON

May 13, 1992

MEMORANDUM FOR DAVE DEMAREST

FROM: CLAYTON YEUTTER (CY)
SUBJECT: East Baltimore Medical Center Speech

We have had some feedback from Congressional Republicans that we have not been sufficiently supportive of their health care legislative efforts.

On page 6 of the remarks, as forwarded to the President, there is a reference to "Senator Bentsen and Chairman Rostenkowski have proposed ..." That should become "Senator Bentsen, Chairman Rostenkowski, Senate Republicans, and the House Republican task all support ..." Also, the whole paragraph is out of order with the last sentence of the previous paragraph, a sentence about insurance reform. See the attached mark up for a smoother approach.

Thanks for your help on this.

cc: Phil Brady

force

would have the ability and financial help it needs to make this reform a reality.

I've proposed the most comprehensive health care package on the table. Now is the time to see if Congress is interested in real reform. Mine is a plan that will fundamentally restructure health care in America. **Congress must begin to move now. Even**

if all they do this year is just pass my insurance ^{market} proposal reform -- we'll at least get a start on changing the system.

There are ~~other~~ steps we can and must take right now. Part of my plan entails significant reform of the insurance markets, for which there is strong bipartisan support. Senator Bentsen and Chairman Rostenkowski have proposed very similar reforms that -- with some modification -- can, and should, be passed immediately. [↑] These reforms will go a long way toward curing the inequities in cost and coverage under existing health insurance practices.

And there's another bipartisan reform package, proposed by Senators Durenberger and Moynihan, that is in most respects consistent with my plan and would promote much greater use of coordinated care in Medicaid. East Baltimore knows this works. We must make it easier for the rest of the country to follow your road to better health care. In fact, as part of my plan for comprehensive reform, I want to make coordinated care the norm, not the exception, for Medicaid. We must work together now to pass these reforms that will provide millions of Americans with affordable health coverage: and get a leg up on comprehensive reform.

THE WHITE HOUSE
WASHINGTON

May 12, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *DD*
FROM: BETH HINCHLIFFE *BH*
SUBJECT: EAST BALTIMORE MEDICAL CENTER SPEECH

On Wednesday, May 13, you will speak at Dunbar High School in Baltimore. You will have just completed a tour of the East Baltimore Medical Center (EBMC), a coordinated health care center that enrolls Medicaid recipients. The audience, approximately 850, will consist primarily of local small business owners who subscribe to the center, and health care professionals and faculty from Johns Hopkins.

The address concentrates on the medical center, which embodies many of the ideas of your comprehensive health reform proposal. Your remarks (12 minutes, cards) focus on your plan and how EBMC's coordinated care reflects the core of your ideas. They compare your plan to others, and end by calling on Congress for action. Explanations: the Dunbar Poets are the school's basketball team, and Pete Pompey is their coach.

(Hinchliffe/Gershowitz)
May 12, 1992 4 p.m.
BALTIMORE Draft Four

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS]

[[Before I go farther, I want to touch on an issue that I know interests everyone concerned about conditions in America's inner cities -- and especially in Los Angeles. The Federal Housing Finance Board will make available \$600 million dollars - - to finance the rebuilding of housing and businesses in Los Angeles. These loans -- made through the Community Investment Program -- are good news for the people who lost jobs and the owners who lost businesses due to the unrest, and it's one way we can underscore the fact that we are serious about helping Los Angeles recover.]]

Now, to the reason that's brought us all together: I've just had the chance to spend some time four blocks from here, in the East Baltimore Medical Center -- a terrific example the rest of the country can follow. It's based on a special kind of public/private partnership -- the kind I've been advocating -- in this case among Johns Hopkins; The Prudential insurance company; the state of Maryland; and the federal government. This problem-solving partnership advances coordinated care -- the future of health care in this country. \\

Thanks to this partnership, this is the largest and fastest growing Medicaid HMO in Maryland. It was there, eight years ago, that Hopkins helped pioneer the concept of a Medicaid HMO. It's

great to see EBMC's success, because it proves what I strongly believe -- that we can meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this HMO saves members, employers and government money, health care remains first-rate. \\

The key to this center's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides quality care at a lower cost, with an emphasis on prevention.

It's just plain common sense -- we're better off keeping people healthy rather than treating them after they're sick. Just Monday, Secretary Sullivan and I met with some leaders of our effort to improve infant health and immunization. There's nothing that makes the case for coordinated care like seeing healthy kids. Preventive medicine improves the quality of life for patients -- and saves unnecessary expenditures.

Coordinated care can work for all Americans. But it's especially important for Medicaid recipients. It ensures they get care when they need it, where they need it, in a cost-effective way. EBMC proves this is a viable alternative to the opposite of coordinated care -- the fee-for-service system. ///

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Sure, the other approaches can sound great, but what do you really get? National health insurance means more taxes, long lines, long waiting lists and lower quality care. Their idea for cost control is flat out "price fixing" -- an idea we know won't

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The so-called "play or pay" approach is equally unsound. Even many proponents admit it will "melt down" into national health insurance within a few years. It does nothing to address the cost problem, where patients don't know or care how much health care costs -- nothing, that is, except to, once again, fix prices. It's a package full of empty promises.

For those of us who still think capitalism is a good idea; for those of us who think markets and competition are what this country is built on and stands for; for those of us who value consumer choice; for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan.

While most people in this country are provided the highest quality health care in the world, millions of others are uninsured and must be covered. We must make people aware of the costs and varying quality of care, so they'll be better consumers. But there will always be a limit to how cost-sensitive we can make people. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT scan or an MRI: their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine small employers, who often pay the

bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These Health Insurance Networks will pool consumer information, will pool risk, and will pool purchasing power: to make the system more responsive to consumer demand. My plan will dramatically reform our market-based system. It will assure that quality care is within the reach of every American family. It will preserve choice. It will keep costs down and access up.

First, my plan will cut the runaway costs of health care by making the system more efficient. We'll call for innovative approaches like the one we see here in East Baltimore. Second, it will wring out waste and excess. Third, it will control federal growth, since health care is the fastest growing part of the federal budget. Fourth, my plan will make health care more accessible by making it more affordable. We'll provide up to \$3750 in health insurance credit or deductions for low- and middle-income families and guarantee access to insurance for all low-income Americans. These credits, combined with market reforms, will bring health insurance to approximately 30 million uninsured Americans.

Maryland is already getting on board this voucher approach with bipartisan legislation. The Maryland State House, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3600 standard health package to cover all low-income Marylanders through tax credits. The Maryland "Consumer Choice" plan passed the House a few weeks ago 134-0. This type of low-income credit would be available in all states under my plan, and Maryland

would have the ability and financial help it needs to make this reform a reality.

I've proposed the most comprehensive health care package on the table. Now is the time to see if Congress is interested in real reform. Mine is a plan that will fundamentally restructure health care in America. Congress must begin to move now. Even if all they do this year is just pass my insurance proposal reform -- we'll at least get a start on changing the system.

There are other steps we can and must take right now. Part of my plan entails significant reform of the insurance markets, for which there is strong bipartisan support. Senator Bentsen and Chairman Rostenkowski have proposed very similar reforms that -- with some modification -- can, and should, be passed immediately. These reforms will go a long way toward curing the inequities in cost and coverage under existing health insurance practices.

And there's another bipartisan reform package, proposed by Senators Durenberger and Moynihan, that is in most respects consistent with my plan and would promote much greater use of coordinated care in Medicaid. East Baltimore knows this works. We must make it easier for the rest of the country to follow your road to better health care. In fact, as part of my plan for comprehensive reform, I want to make coordinated care the norm, not the exception, for Medicaid. We must work together now to pass these reforms that will provide millions of Americans with affordable health coverage: and get a leg up on comprehensive reform.

Our plan does everything the government can and should do to ensure the quality of life of each citizen of this great land. It doesn't promise the moon. It does something more important: it promises the future. Reform is never easy, but in health care it's a must. We'll deliver what we say we can -- competition-driven, market-based reform -- and we'll deliver it proudly. I'll continue to push for it. We must get started today.

Thank you for all you do -- and for the brilliant example EBMC provides for this nation. May God bless you all.

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THE WHITE HOUSE
WASHINGTON

May 12, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST *DD*
FROM: BETH HINCHLIFFE *BH*
SUBJECT: EAST BALTIMORE MEDICAL CENTER SPEECH

On Wednesday, May 13, you will speak at Dunbar High School in Baltimore. You will have just completed a tour of the East Baltimore Medical Center (EBMC), a coordinated health care center that enrolls Medicaid recipients. The audience, approximately 850, will consist primarily of local small business owners who subscribe to the center, and health care professionals and faculty from Johns Hopkins.

The address concentrates on the medical center, which embodies many of the ideas of your comprehensive health reform proposal. Your remarks (12 minutes, cards) focus on your plan and how EBMC's coordinated care reflects the core of your ideas. They compare your plan to others, and end by calling on Congress for action. Explanations: the Dunbar Poets are the school's basketball team, and Pete Pompey is their coach.

(Hinchliffe/Gershowitz)
May 12, 1992 4 p.m.
BALTIMORE Draft Four

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS]

[[Before I go farther, I want to touch on an issue that I know interests everyone concerned about conditions in America's inner cities -- and especially in Los Angeles. The Federal Housing Finance Board will make available \$600 million dollars - - to finance the rebuilding of housing and businesses in Los Angeles. These loans -- made through the Community Investment Program -- are good news for the people who lost jobs and the owners who lost businesses due to the unrest, and it's one way we can underscore the fact that we are serious about helping Los Angeles recover.]]

Now, to the reason that's brought us all together: I've just had the chance to spend some time four blocks from here, in the East Baltimore Medical Center -- a terrific example the rest of the country can follow. It's based on a special kind of public/private partnership -- the kind I've been advocating -- in this case among Johns Hopkins; The Prudential insurance company; the state of Maryland; and the federal government. This problem-solving partnership advances coordinated care -- the future of health care in this country. \\

Thanks to this partnership, this is the largest and fastest growing Medicaid HMO in Maryland. It was there, eight years ago, that Hopkins helped pioneer the concept of a Medicaid HMO. It's

great to see EBMC's success, because it proves what I strongly believe -- that we can meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this HMO saves members, employers and government money, health care remains first-rate. \\

The key to this center's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides quality care at a lower cost, with an emphasis on prevention.

It's just plain common sense -- we're better off keeping people healthy rather than treating them after they're sick. Just Monday, Secretary Sullivan and I met with some leaders of our effort to improve infant health and immunization. There's nothing that makes the case for coordinated care like seeing healthy kids. Preventive medicine improves the quality of life for patients -- and saves unnecessary expenditures.

Coordinated care can work for all Americans. But it's especially important for Medicaid recipients. It ensures they get care when they need it, where they need it, in a cost-effective way. EBMC proves this is a viable alternative to the opposite of coordinated care -- the fee-for-service system. \\

It also means better care for a kid who steps on a rusty nail on Orleans Street. Before belong to a coordinated care center, he would have gone to Hopkins' E.R. They'd be seeing him for the first time, so they wouldn't know if he'd had a tetanus shot, or if he were allergic to penicillin. They'd have to spend time and

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Maryland is already getting on board this voucher approach with bipartisan legislation. The Maryland State House, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3600 standard health package to cover all low-income Marylanders through tax credits. The Maryland "Consumer Choice" plan passed the House a few weeks ago 134-0. This type of low-income credit would be available in all states under my plan, and Maryland

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May 12, 1992

MEMORANDUM FOR THE PRESIDENT

THROUGH: DAVID DEMAREST

FROM: BETH HINCHLIFFE

SUBJECT: EAST BALTIMORE MEDICAL CENTER SPEECH

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(Hinchliffe/Gershowitz)
May 12, 1992 4 p.m.
BALTIMORE Draft Four

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS]

[[Before I go farther, I want to touch on an issue that I know interests everyone concerned about conditions in America's inner cities -- and especially in Los Angeles. The Federal Housing Finance Board will make available \$600 million dollars - - to finance the rebuilding of housing and businesses in Los Angeles. These loans -- made through the Community Investment Program -- are good news for the people who lost jobs and the owners who lost businesses due to the unrest, and it's one way we can underscore the fact that we are serious about helping Los Angeles recover.]]

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*Comprehensiveness
My proposal
is based
on*

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Document No. 327243ss

WHITE HOUSE STAFFING MEMORANDUM

92 MAY 12 P3:52

DATE: 5/11/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TUES., MAY 12

PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT

SUBJECT: WEDNESDAY, MAY 13, 1992
BALTIMORE, MARYLAND

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			MCGROARTY		<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, rm 122, ext. 2930, NO LATER THAN NOON TUESDAY, MAY 12, with a copy to this office.

Thank you.

RESPONSE:

See comments. Thanks. (HHS comments).
PK
Paul Korfanta
05/12


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

THE WHITE HOUSE
WASHINGTON

May 12, 1992

92 MAY 12 PM 4:09

MEMORANDUM FOR DANIEL B. MCGROARTY
Special Assistant to the President and
Deputy Director of Speechwriting

FROM: JANET REHNQUIST 
Associate Counsel to the President

SUBJECT: Presidential Remarks -- Coordinated Health Care
Event; Wednesday, May 13, 1992; Baltimore,
Maryland

At your request, Counsel's Office has reviewed the above-referenced matter. We have no legal objections.

Thank you for the opportunity to review this matter.

cc: Phil Brady

*Border
Shun: Klaus K.*

(Hinchliffe/Gershowitz)
May 12, 1992 2 p.m.
BALTIMORE Draft Three

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

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Thanks to this partnership, this is the largest and fastest growing HMO serving Medicaid recipients in Maryland. It was there, eight years ago, that Hopkins established its HMO to serve Medicaid recipients; now it enrolls working Americans as well. X

→ It's great to see ^{HMO's} this success, because it proves what I strongly believe -- that we can meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this HMO saves members, employers and government money, health care remains first-rate. ✓

✓ The key to this center's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides quality care in a way that assures that patients get the care they need -- not too much and not too little -- at a lower cost. X It also emphasizes prevention and extra benefits. Anyone can come to East Baltimore and see

2
how this key idea is working -- in programs I just visited today like nutrition classes; pediatric clinics; and the pre-natal care of the Better Beginnings Program. I heard how pregnant women in [PROJECT] will have healthier babies, needing less after-birth care, because they're followed and educated and tested and encouraged by care and incentives each step of the way.

It's just plain common sense -- we're better off keeping people healthy rather than treating them after they're sick.

Just Monday, Secretary Sullivan and I met with some leaders of our effort to improve infant health and immunization. There's nothing that makes the case for coordinated care like seeing healthy kids. Preventive medicine improves the quality of life for patients -- and saves unnecessary expenditures.

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faster and at a fraction of the cost.

This center isn't unique. There are exciting examples of how coordinated care can provide better, less expensive care for Medicaid recipients all across the country -- like ACCESS in Arizona; Comprehensive Health Systems in Detroit; and Health Partners in Philadelphia. These centers demonstrate the core idea of my Comprehensive Health Reform Program. I introduced this plan February 6 to address the twin challenges of expanding access and containing cost -- while building on the strengths of our present health care system. I was determined to treat the root causes of our problems -- not just the symptoms. Above all, my plan is inspired by the words of physician Frederick Banting: "You must begin with an ideal and end with an ideal."

I'm appalled to think that in the greatest, most technologically advanced nation on the face of the earth, one out of seven Americans has no health insurance. That is a disgrace and we must not tolerate it. What we must do is clear -- We must guarantee every American access to affordable health insurance.

In this election year, it seems like everyone's got their own prescription for health care. Yes, people want quality care they can afford and rely on. But we don't need to put government between patients and their doctors. We don't need to build a new federal bureaucracy. We need commonsense, comprehensive health care reform -- and we need to start now.

Sure, the other approaches can sound great, but what do you really get? National Health Insurance means more taxes, long

Go w/ Staffed para p. 2.

NO detail is fine. but we'll cut for space

delete for Staffed draft.



lines, long waiting lists and lower quality care. Their idea for cost control is flat out "price fixing" -- an idea we know won't work. [Some point to Canada: what they don't know, or just don't say,] is that Canada's health inflation now outpaces ours. keep? Others → Look at ~~point to~~ Medicare, which adopts set prices for many seniors' health services. But Medicare inflation far outstripped private health care inflation in the 70s and 80s and is still growing at 12% a year. Cost containment is not its strong suit. Price fixing by Congress has never worked before -- and it never will.

The so-called Play or Pay approach is equally unsound. Even many proponents admit it will "melt down" into national health insurance within a few years. And it does nothing to address the cost problem, where patients don't know or care how much health care costs -- except to, once again, fix prices. It's a package full of empty promises. For those of us who still think capitalism is a good idea; for those of us who think markets and competition are what this country is built on and stands for; for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan.

It's different from all these other plans in one critically essential way. Their attitude is: we'll junk the system and start over from scratch. Not only is that unnecessary -- it's fundamentally wrong. There's too much that's good about our health care system -- too many accomplishments in which we take great pride. We have the best health care in the world -- we just need to make sure it's available to everyone. We want to do

something new for that one out of seven who doesn't have access now: other plans want to do something new for seven out of seven. 9

Our health care system hasn't always worked well. Most people are insured and therefore insulated against the skyrocketing costs of health care. Millions of others are uninsured and must be covered. But we haven't done anything to reform private health care since WWII. We must make people aware of the costs and varying quality of care, so they'll be better consumers. But there will always be a limit to how cost-sensitive we can make people. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT [cat] scan or an MRI before given: their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine small employers, who often pay the bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These Health Insurance Networks will pool consumer information, will pool risk, and will pool purchasing power: to make the system more responsive to consumer demand. My plan will dramatically reform our market-based system. It will assure that quality care is within the reach of every American family. It will preserve choice. It will keep costs down and access up.

Part one of my plan says we'll cut the runaway costs of health care by making the system more efficient. We'll call for innovative approaches like the one we see here in East Baltimore.

Part two of my plan says we'll wring out waste and excess.

Part three says we'll control federal growth -- since health care is the fastest growing part of the federal budget.

And part four of my plan says we'll make health care more accessible by making it more affordable. We'll provide up to \$3750 in health insurance credit or deductions for low- and middle-income families and guarantee access to all low-income Americans. These credits, combined with market reforms, will bring health insurance to almost 30 million uninsured Americans.

✓ Maryland is already getting on board this voucher approach with bipartisan legislation. The Maryland State House, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3600 standard health package to cover all low-income Marylanders through tax credits. The Maryland "Consumer Choice" plan passed the Maryland House a few weeks ago 134-0. This type of low-income credit would be available in all states under my plan, and Maryland would have the ability to make this reform a reality. ✓

✓ I've proposed the most comprehensive health care package on the table. Now is the time to see if Congress is interested in real reform. Mine is a plan that will fundamentally restructure health care in America. Congress must begin to move now. Even if all they do this year is just pass my insurance proposal reform -- we'll at least get a start on changing the system.

replaced ✓
Even if differences in Congress prevent passing my comprehensive package this partisan election year, there are steps we can and must take. Part of my plan entails significant reform of the insurance markets, for which there is strong bipartisan

support. Senator Bentsen and Chairman Rostenkowski have proposed very similar reforms that can, and should, be passed immediately. These reforms will go a long way toward curing the inequities in cost and coverage under existing health insurance practices.

And there's another bipartisan reform package, proposed by Senators Durenberger and Moynihan, that's consistent with my plan and would promote much greater use of coordinated care in Medicaid. As those at **East Baltimore** know: this works. We must make it easier for the rest of the country to follow your road to better health care. In fact, as part of my plan for comprehensive reform, I want to make coordinated care the norm, rather than the exception, for Medicaid. We must work together now to pass these reforms that will provide millions of Americans with affordable health coverage -- and get a leg up on comprehensive reform.

Our plan does everything the government can and should do to ensure the quality of life of each citizen of this great land. It doesn't promise the moon -- it does something more important. It promises the future. Reform is never easy, but in health care it's a must. We'll deliver what we say we can -- competition-driven, market-based reform -- and we'll deliver it proudly. I will continue to push for it. We must get started today.

Thank you for all you do -- and for the brilliant example EBMC provides for this nation. May God bless you all.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/11/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TUES., MAY 12

PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY, MAY 13, 1992

SUBJECT: BALTIMORE, MARYLAND

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>FINDLAY</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>KAUFMAN</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			<u>MCGROARTY</u>		<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, rm 122, ext. 2930, NO LATER THAN NOON TUESDAY, MAY 12, with a copy to this office.

Thank you.

RESPONSE:

See Comments

Please take comments as indicated by (✓)

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

(Hinchliffe/Gershowitz)
May 11, 1992 12 p.m.
BALTIMORE Draft One

02 MAY 11 P2:16

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS] I've just had the chance to spend some time four blocks from here, in the East Baltimore Medical Center. Most impressive -- a terrific example the rest of the country can follow. It's based on a special kind of public/private partnership -- the kind I've been advocating -- in this case among Johns Hopkins; The Prudential, a private insurance company; the state of Maryland; and the federal government. This problem-solving partnership heralds the future of health care in this country.

Thanks to this partnership, EBMC is the largest and fastest growing Medicaid HMO in Maryland. It was there, eight years ago, that Hopkins ^{helped pioneer} ~~developed~~ the concept of a Medicaid HMO. It's great to see EBMC's success, because it proves what I strongly believe: that health care and insurance industries can meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this HMO saves members, employers and government money, health care remains first-rate.

The key to EBMC's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides coordinated, quality care at a lower cost, while emphasizing prevention and extra benefits, like EBMC's free dental ^{services} ~~work~~ and great pre-natal care in the Better Beginnings Program. It's just plain commonsense -- we're better off keeping

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people healthy rather than treating them after they're sick. Preventive medicine improves the quality of life for patients -- and saves the health care system unnecessary expenditures.


Coordinated care works for all Americans, because it changes the incentives. It's especially important for Medicaid recipients because of the difficulties they face in receiving care. It helps ensure they're given care when they need it, where they need it, and in a cost-effective way. EBMC proves that this kind of care is a viable alternative to the fee-for-service system.


I'm excited to see so many pieces of my Comprehensive Health Reform Program already successfully at work at EBMC. I introduced this plan February 6, to address the twin challenges of expanding access and containing cost -- while building on the strengths of our present health care system. I was determined to treat the root causes of our problems -- not just the symptoms. I think the medical professionals here can understand that. Above all, my plan is inspired by the words of British doctor Sir Frederick Banting: "You must begin with an ideal and end with an ideal."


I'm appalled to think that in the greatest, most technologically advanced nation on the face of the earth, one out of seven Americans has no health insurance. That is a disgrace and we must not tolerate it. What we must do is clear -- We must guarantee every American access to affordable health insurance.

In this election year, it seems like everyone's got their own prescription for health care. Yes, people want quality care they can afford and rely on. But we don't need to put government

between patients and their doctors. We don't need to build a new federal bureaucracy. We need commonsense, comprehensive health care reform -- and we need it now.

 Sure, the other approaches can sound great, but what do you really get? National ^hHealth ⁱInsurance means long lines, long waiting lists and lower quality care. The idea for cost control is flat out "price fixing" -- an idea we know won't work. Some point to Canada: what they don't know, or just don't say, is that Canada's health inflation now outpaces ours. Others point to Medicare, which adopts set prices for many seniors' health services. But Medicare inflation far outstripped private health care inflation in the 70s and 80s and is still growing at 12% a year. Cost containment is not its strong suit. Price fixing by Congress has never worked before -- and it never will. SCULLY
5178

 The so-called ^{(P}Play or ^PPay approach is equally unsound. Even many proponents admit it will "melt down" into ⁿNational ^hHealth Insurance within a few years. And it does nothing to address the underlying flaws of the health care system or change the dynamics of the way health care is delivered -- except to, once again, fix prices. It's a package full of empty promises. For those of us who still think capitalism is a good idea; for those of us who think markets and competition are what this country is built on and stands for; ^{For those of us who value consumer choice} for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan. SCULLY
5178

 True, the health market hasn't always worked well. Most people are insured, and therefore insulated against the

skyrocketing costs of health care. Millions of others are uninsured and must be covered. But we haven't done anything to reform private health care since WWII. We must make people more aware of the costs and varying quality of care, so that they'll be better consumers.

But there will always be a limit to how cost-sensitive we can make individuals. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT scan or an MRI before given: their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine employers, who often pay the bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These purchasing groups, or Health Insurance Networks, will pool this information, will pool risk, and will pool consumer purchasing power: to make the system more responsive to ~~consumer demand~~ ^{Scully Consumers' interest 5178}.

My plan will dramatically reform our market-based system. It will put quality care within the reach of every American family. It will preserve choice. It will keep costs down and access up. Part one of my plan says we'll cut the runaway costs of health care by making the system more efficient. We'll call for innovative approaches -- like the one we see right here in East Baltimore. Part two of my plan says we'll wring out waste and excess by reforming the system. Part three says we'll control federal growth: since health care is the fastest growing part of the federal budget.

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Scully 5178

Edwards

And part four of my plan says we'll make health care more accessible by making it more affordable. We'll provide up to \$3750 in health insurance credit or deductions for low- and middle-income families and guarantee access to ^{insurance for Scully} all low-income ⁵¹⁷⁸ Americans. These credits, combined with market reforms, will bring health insurance to ^{approximately} ~~almost~~ 30 million uninsured Americans. ^{Scully} ⁵¹⁷⁸

Maryland is already getting on board this voucher approach with bipartisan legislation. State Rep. Casper Taylor, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3600 standard health package to cover all low-income Marylanders through tax credits. - The Maryland "Consumer Choice" plan passed the Maryland House a few weeks ago 134-0. This is the type of state reform my plan encourages: under it, Maryland would have much of the flexibility needed to make this reform a reality.

Since we unveiled our reforms three months ago, we've moved ahead with our proposals, following through step by step on everything we outlined in that historic plan. What's most important is that we've put together a health care legislative package -- and we can start to move now.

And now is the time to see if Congress is really interested in passing useful legislation. We've submitted a great plan. It will lift the hearts and ease the pain of literally millions of Americans who today are sick and scared. Congress must move now.

Even if differences in Congress prevent passing my comprehensive package this partisan election year, there are steps we must take. Part of my plan entails significant reform of the

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① -- with some modification --

insurance markets, for which there is strong bipartisan support.

Senator Bentsen and Chairman Rostenkowski have proposed very similar reforms ^{-- along with modifications that I have proposed --} that can, and should, be passed immediately. SCULLY 5178

These reforms will go a long way toward curing the inequities in cost and coverage under existing health insurance practices.

It's in most respects

And there's another bipartisan reform package, proposed by Senators Durenberger and Moynihan, that's ^{mostly} consistent with my plan SCULLY 5178

and would promote much greater use of coordinated care in Medicaid. As those at EMBC know -- this works. We must make it easier for the rest of the country to follow your road to better health care. We must work together now to pass these reforms that will provide millions of Americans with affordable health coverage -- and get a leg up on comprehensive reform.

⊗

Our plan does everything the government can and should do to ensure the quality of life of each citizen of this great land. It doesn't promise the moon -- it does something more important. It promises the future. Reform is never easy, but in health care it's a must. We'll deliver what we say we can -- ^{consumer and} competition-driven, market-based reform -- and we'll deliver it proudly. I will continue to push for it. We must get started today. SCULLY 5178

Thank you for all you do -- and for the brilliant example EBMC provides for this nation. May God bless you all.

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(Winchiff/Gershewitz)
May 11, 1992 12 p.m.
BALTIMORE Draft One

2 MAY 11 P2:16

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS] I've just had the chance to spend some time four blocks from here, in the East Baltimore Medical Center. Most impressive -- a terrific example the rest of the country can follow. It's based on a special kind of public/private partnership -- the kind I've been advocating -- in this case among Johns Hopkins; The Prudential, ~~a private insurance company~~ ^{delete} the state of Maryland; and the federal government. This problem-solving partnership heralds the future of health care in this country.

Thanks to this partnership, EBMC ^{It's POTUS to say this?} is the largest and fastest growing Medicaid HMO in Maryland. ~~It was there~~ ^{delete} eight years ago, that Hopkins developed ^a ~~the~~ ^{for their} concept of a Medicaid HMO. It's great to see EBMC's success, because it proves what I strongly believe: that health care and insurance industries ~~can~~ meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this ~~HMO~~ ^{plan} saves members, employers and government money, health care remains first-rate.

The key to EBMC's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides coordinated, quality care at a lower cost, while emphasizing prevention and extra benefits, like EBMC's free dental work and great pre-natal care in the Better Beginnings Program. It's just plain commonsense -- we're better off keeping

people healthy rather than treating them after they're sick. Preventive medicine improves the quality of life for patients -- and saves the health care system unnecessary expenditures.

Coordinated care works for all Americans, because it changes the incentives. It's especially important for Medicaid recipients because of the difficulties they face in receiving care. It helps ensure they're given care when they need it, where they need it, and in a cost-effective way. EBMC proves that this kind of care is a viable alternative to the fee-for-service system.

Coordinated Care

I'm excited to see so many pieces of my Comprehensive Health Reform Program already successfully at work at EBMC. I introduced this plan February 6, to address the twin challenges of expanding access and containing cost -- while building on the strengths of our present health care system. I was determined to treat the root causes of our problems -- not just the symptoms. I think the medical professionals here can understand that. Above all, my plan is inspired by the words of British doctor Sir Frederick Banting: "You must begin with an ideal and end with an ideal."

yes
delete

~~It is~~ It is the greatest, most technologically advanced nation on the face of the earth, ^{there is no reason that} ~~one~~ out of seven Americans has no health insurance. ~~That is a disgrace and we must not tolerate it.~~ What we must do is clear -- We must guarantee every American access to affordable health insurance.

In this election year, it seems like everyone's got their own prescription for health care. Yes, people want quality care they can afford and rely on. But we don't need to put government

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between patients and their doctors. We don't need to build a new federal bureaucracy. We need commonsense, comprehensive health care reform -- and we need it now.

Sure, the other approaches can sound great, but what do you really get? National Health Insurance means long lines, long waiting lists and lower quality care. The idea for cost control is flat out "price fixing" -- an idea we know won't work. Some point to Canada: ~~what they don't know, or just don't say, is that Canada's health inflation now outpaces ours. Others point to Medicare, which adopts set prices for many seniors' health services. But Medicare inflation far outstripped private health care inflation in the 70s and 80s and is still growing at 12% a year. Cost containment is not its strong suit.~~ Price fixing by Congress has never worked before -- and it never will.

The so-called Play or Pay approach is equally unsound. Even many proponents admit it will "melt down" into National Health Insurance within a few years. And it does nothing to address the underlying flaws of the health care system or change the dynamics of the way health care is delivered ~~except to, once again, fix prices.~~ It's a package full of empty promises. ~~For those of us who still think capitalism is a good idea;~~ for those of us who think markets and competition are what this country is built on and stands for; for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan.

~~True, the health market hasn't always worked well. Most people are insured, and therefore insulated against the~~

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While ^{most people in this} ~~the health care~~ country are provided the highest quality health care in the world,

~~skyrocketing costs of health care.~~ Billions of others are uninsured and must be covered. ~~But we haven't done anything to reform private health care since WWI.~~ We must make people more aware of the costs and varying quality of care, so that they'll be better consumers.

But there will always be a limit to how cost-sensitive we can make individuals. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT scan or an MRI ^{before} given; their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine employers, who often pay the bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These purchasing groups, or Health Insurance Networks, will pool this information, will pool risk, and will pool consumer purchasing power; to make the system more responsive to consumer demand.

My plan will dramatically reform our market-based system. It will put quality care within the reach of every American family. It will preserve choice. It will keep costs down and access up.

Part one of my plan says we'll cut the runaway costs of health care by making the system more efficient. We'll call for innovative approaches -- like the one we see right here in East Baltimore. Part two of my plan says we'll wring out ~~the~~ ^{waste and} ~~excess~~ excess by reforming the system. Part three says we'll ~~control~~ ^{restrain} federal growth; since health care is the fastest growing part of the federal budget.

No
No

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And part four of my plan says we'll make health care more accessible by making it more affordable. We'll provide up to \$3750 in health insurance credit or deductions for low- and middle-income families and guarantee access to all low-income Americans. These credits, combined with market reforms, will bring health insurance to almost 30 million uninsured Americans.

Maryland is already getting on board this voucher approach with bipartisan legislation. ~~State Rep. Casper Taylor, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3500 standard health package to cover all low-income Marylanders through tax credits.~~ The Maryland "Consumer Choice" plan passed the Maryland House a few weeks ago 134-0. This is the type of state reform my plan encourages: ^{under it, my plan,} Maryland would have much of the flexibility ^{and financial help it} needed to make this reform a reality.

Since we unveiled our reforms three months ago, we've moved ahead with our proposals, following through step by step on everything we outlined in ^{our} ~~that historic~~ plan. What's most important is that we've put together a health care legislative package -- and we can start to move now.

And now is the time to see if Congress is really interested in passing useful legislation. We've submitted a ^{detailed} ~~great~~ plan. It will lift the hearts and ease the pain of literally millions of Americans who today are sick and scared. Congress must move now.

Even if differences in Congress prevent passing my comprehensive package this partisan election year, there are steps we must take. Part of my plan entails significant reform of the

(Hinchliffe/Gershowitz)
May 12, 1992 3 p.m.
BALTIMORE Draft Four

**PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY MAY 13, 1992
BALTIMORE, MARYLAND**

[ACKNOWLEDGEMENTS] I've just had the chance to spend some time four blocks from here, in the East Baltimore Medical Center -- a terrific example the rest of the country can follow. It's based on a special kind of public/private partnership -- the kind I've been advocating -- in this case among Johns Hopkins; The Prudential insurance company; the state of Maryland; and the federal government. This problem-solving partnership advances coordinated care -- the future of health care in this country. \\

Thanks to this partnership, this is the largest and fastest growing Medicaid HMO in Maryland. It was there, eight years ago, that Hopkins helped pioneer the concept of a Medicaid HMO. It's great to see EBMC's success, because it proves what I strongly believe -- that we can meet the challenge of controlling health care costs while providing the finest quality service. I congratulate you -- for while this HMO saves members, employers and government money, health care remains first-rate. \\

The key to this center's success, especially for Medicaid patients, is that coordinated health care makes creative approaches possible. It provides quality care at a lower cost, while emphasizing prevention and extra benefits.

It's just plain common sense -- we're better off keeping people healthy rather than treating them after they're sick.

Just Monday, Secretary Sullivan and I met with some leaders of

our effort to improve infant health and immunization. There's nothing that makes the case for coordinated care like seeing healthy kids. Preventive medicine improves the quality of life for patients -- and saves unnecessary expenditures.

Coordinated care can work for all Americans. But it's especially important for Medicaid recipients. It ensures they get care when they need it, where they need it, in a cost-effective way. EBMC proves this is a viable alternative to the opposite of coordinated care -- the fee-for-service system. \\

It also means better care for a kid who steps on a rusty nail on Orleans Street. Before belong to a coordinated care center, he would have gone to Hopkins' E.R. They'd be seeing him for the first time, so they wouldn't know if he'd had a tetanus shot, or if he were allergic to penicillin. They'd have to spend time and money doing unnecessary tests and double-treatment. But now when he shows up at his center's Urgent Care Unit, they just check his history and treat him -- faster and at a fraction of the cost.\\

I'm excited to see so many pieces of my Comprehensive Health Reform Program already successfully at work at EBMC. I introduced this plan February 6 to address the twin challenges of expanding access and containing cost -- while building on the strengths of our present health care system. I was determined to treat the root causes of our problems -- not just the symptoms. Above all, my plan is inspired by the words of physician Frederick Banting: "You must begin with an ideal and end with an ideal." \\

I'm appalled to think that in the greatest, most technologi-

cally advanced nation on the face of the earth, one out of seven Americans has no health insurance. That is a disgrace and we must not tolerate it. What we must do is clear -- We must guarantee every American access to affordable health insurance.\\

In this election year, it seems like everyone's got their own prescription for health care. Yes, people want quality care they can afford and rely on. But we don't need to put government between patients and their doctors. We don't need to build a new federal bureaucracy. We need commonsense, comprehensive health care reform -- and we need to start now.

Sure, the other approaches can sound great, but what do you really get? National health insurance means more taxes, long lines, long waiting lists and lower quality care. Their idea for cost control is flat out "price fixing" -- an idea we know won't work. Look at Medicare, which adopts set prices for many seniors' health services. But Medicare inflation far outstripped private health care inflation in the 70s and 80s and is still growing at 12% a year. Cost containment is not its strong suit. Price fixing by Congress has never worked before -- and it never will.

The so-called "play or pay" approach is equally unsound. Even many proponents admit it will "melt down" into national health insurance within a few years. It does nothing to address the cost problem, where patients don't know or care how much health care costs -- nothing, that is, except to, once again, fix prices. It's a package full of empty promises.

For those of us who still think capitalism is a good idea;

for those of us who think markets and competition are what this country is built on and stands for; for those of us who value consumer choice; for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan.

Our health care system hasn't always worked well. Most people are insured and therefore insulated against the skyrocketing costs of health care. Millions of others are uninsured and must be covered. But we haven't done anything to reform private health care since WWII. We must make people aware of the costs and varying quality of care, so they'll be better consumers. But there will always be a limit to how cost-sensitive we can make people. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT [cat] scan or an MRI before given: their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine small employers, who often pay the bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These Health Insurance Networks will pool consumer information, will pool risk, and will pool purchasing power: to make the system more responsive to consumer demand. My plan will dramatically reform our market-based system. It will assure that quality care is within the reach of every American family. It will preserve choice. It will keep costs down and access up.

First, my plan will cut the runaway costs of health care by making the system more efficient. We'll call for innovative

approaches like the one we see here in East Baltimore. **Second**, it will wring out waste and excess. **Third**, it will control federal growth, since health care is the fastest growing part of the federal budget. **Fourth**, my plan will make health care more accessible by making it more affordable. We'll provide up to \$3750 in health insurance credit or deductions for low- and middle-income families and guarantee access to insurance for all low-income Americans. These credits, combined with market reforms, will bring health insurance to approximately 30 million uninsured Americans.

Maryland is already getting on board this voucher approach with bipartisan legislation. The Maryland State House, with the support of Blue Cross/Blue Shield of Maryland, outlined a \$3600 standard health package to cover all low-income Marylanders through tax credits. The Maryland "Consumer Choice" plan passed the House a few weeks ago 134-0. This type of low-income credit would be available in all states under my plan, and Maryland would have the ability to make this reform a reality.

I've proposed the most comprehensive health care package on the table. Now is the time to see if Congress is interested in real reform. Mine is a plan that will fundamentally restructure health care in America. Congress must begin to move now. Even if all they do this year is just pass my insurance proposal reform -- we'll at least get a start on changing the system.

If differences in Congress prevent passing my comprehensive package this partisan election year, there are steps we can and must take. Part of my plan entails significant reform of the

insurance markets, for which there is strong bipartisan support. Senator Bentsen and Chairman Rostenkowski have proposed very similar reforms that -- with some modification -- can, and should, be passed immediately. These reforms will go a long way toward curing the inequities in cost and coverage under existing health insurance practices.

And there's another bipartisan reform package, proposed by Senators Durenberger and Moynihan, that is in most respects consistent with my plan and would promote much greater use of coordinated care in Medicaid. East Baltimore knows this works. We must make it easier for the rest of the country to follow your road to better health care. In fact, as part of my plan for comprehensive reform, I want to make coordinated care the norm, not the exception, for Medicaid. We must work together now to pass these reforms that will provide millions of Americans with affordable health coverage: and get a leg up on comprehensive reform.

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[ACKNOWLEDGEMENTS: ADD AT BEGINNING FOR FINAL COPY]

Thanks, Dr. Robert Heyssel [HESS-ill]. I understand you'll retire in a few weeks as CEO of Johns Hopkins Health System, after 20 years of building bridges with this community. You'll leave a great legacy -- that new outpatient clinic which bears your name and opens for business next Monday. We also have with us today HHS Secretary Sullivan and Governor Schaefer. And I'm glad to see Robert Winters, CEO of The Prudential, who's met with me at the White House to discuss the future of health care. I know some of you here just came downstairs for this event -- well, Bob came back from Europe just to be with us today.

I'm very glad to be here at Dunbar High, home of the Dunbar Poets. With their unbeaten streak -- maybe Pete Pompey should become my advisor. I was interested to hear about your school's cooperative health career program with Johns Hopkins -- which is not only on a summit in Baltimore, but is at the summit of medical excellence. It's terrific that nearly 20% of Dunbar's student body is involved in this innovative community outreach. The school mascot -- the wise old owl -- would be proud.

Document No. 327243ss

WHITE HOUSE STAFFING MEMORANDUM

DATE: 5/11/92 ACTION/CONCURRENCE/COMMENT DUE BY: NOON TUES., MAY 12

SUBJECT: PRESIDENTIAL REMARKS: COORDINATED HEALTH CARE EVENT
WEDNESDAY, MAY 13, 1992
BALTIMORE, MARYLAND

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HORNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SKINNER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCBRIDE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input type="checkbox"/>	MOORE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input type="checkbox"/>
BRADY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BROMLEY	<input type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
CALIO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SMITH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YEUTTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	FINDLAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	KAUFMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			MCGROARTY		<input checked="" type="checkbox"/>

REMARKS:

Please forward your comments directly to Dan McGroarty, rm 122, ext. 2930, NO LATER THAN NOON TUESDAY, MAY 12, with a copy to this office.

Thank you.

RESPONSE:

*NEEDS TO INCORPORATE DVNBAR'S TIE
 TO JOHN HOPKINS & EBMC.
 WHY GIVE THIS ADDRESS AS DVNBAR?*

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

(Hinchliffe/Gershowitz)
May 11, 1992 12 p.m.
BALTIMORE Draft One

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The so-called Play or Pay approach is equally unsound. Even many proponents admit it will "melt down" into National Health Insurance within a few years. And it does nothing to address the underlying flaws of the health care system or change the dynamics of the way health care is delivered -- except to, once again, fix prices. It's a package full of empty promises. For those of us who still think capitalism is a good idea; for those of us who think markets and competition are what this country is built on and stands for; for those of us who think competition breeds quality and efficiency: I proposed my Comprehensive Reform Plan.

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But there will always be a limit to how cost-sensitive we can make individuals. When a kid falls off a bike and cracks his head, not many parents question the cost of a CAT scan or an MRI before given: their kid's health is too precious to bargain over.

So the competitive answer must be to group our consumers together. We must combine employers, who often pay the bills, and individuals into large, educated, informed purchasing groups that can drive efficiencies back into the health care system. These purchasing groups, or Health Insurance Networks, will pool this information, will pool risk, and will pool consumer purchasing power: to make the system more responsive to consumer demand.

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(Hinchliffe/Gershowitz)
May 11, 1992 12 p.m.
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#

Federal
Housing
Finance
Board**NEWS**

1777 F Street, N.W., Washington, D.C. 20006

(202) 408-2986

DRAFT

DRAFTFOR RELEASE
May 12, 1992
FHFB 92-24CONTACT: Charles H. Powers
(202) 408-2986**FEDERAL HOUSING FINANCE BOARD ANNOUNCES AVAILABILITY OF \$600
MILLION IN COMMUNITY INVESTMENT CREDIT FOR LOS ANGELES**

Washington, D.C. -- The Federal Housing Finance Board today announced the Federal Home Loan Bank System will make \$600 million available to finance the rebuilding of housing and businesses in Los Angeles.

"The Bank System will make these funds available as loans through its Community Investment Program to financial institutions at favorable interest rates. In turn, these funds can be loaned to assist in helping rebuild the damaged communities," Daniel F. Evans, Jr., Finance Board Chairman said today.

The Federal Home Loan Bank of San Francisco will act as the lead District Bank for the twelve District Banks that compose the Bank System, a government-sponsored enterprise dedicated to housing finance throughout the nation.

MAY 11 '92 1:19 FROM FHFB CHMN OFFICE

TO HUD SEC

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\$600 Million Credit Cont'd.
Page 2

In addition, the Bank System's Affordable Housing Program (AHP) is providing subsidized loans to further assist low and moderate income families in Los Angeles. Presently, \$1 million in AHP subsidy is leveraging \$22.5 million to provide 206 housing units for such families. The Finance Board will now expedite processing of new AHP applications for Los Angeles. There are currently pending 11 AHP project applications that could provide \$3 million of subsidy, which could leverage up to \$60 million in additional low and moderate income housing in the area.

The Community Investment Program (CIP) provides loans through Bank System members for community-oriented mortgage lending including:

- financing the purchase or rehabilitation of owner-occupied or rental housing for families whose income does not exceed 115 percent of an area's median income,
- financing commercial or economic development activities that benefit low- and moderate-income families or activities located in low- and moderate-income neighborhoods,
- projects may also combine housing and commercial or economic development activities.

DRAFT

\$600 Million Credit Cont'd.
Page 3

CIP advances are provided to Bank System member financial institutions at the cost of consolidated FHLBank obligations, plus reasonable administrative costs. In 1991 close to \$1 billion of CIP advances-were used in financing 29,000 housing units.

The Affordable Housing Program subsidy funds are used to finance the following:

- homeownership by families with incomes at or below 80 percent of the median income for the area; or
- finance the purchase, construction, or rehabilitation of rental housing, at least 20 percent of the units of which will be occupied by and affordable for very low-income households for the remaining useful life of such housing or the mortgage term.

Since the AHP's inception two years ago, close to \$150 million in subsidies were contributed by the Bank System. With leveraging, that's more than \$2 billion of development and 43,500 housing units.

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