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Collection/Record Group: Clinton Presidential Records

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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	RE; Personal [partial] (1 page)	08/21/1996	b(6)
002. fax	Andrew Weinstein to White House Press Office; RE: Medical questions (1 page)	08/21/1996	b(6)
003a. memo	E. Connie Mariano to Mike McCurry; RE: Summary of Medical History (4 pages)	09/13/1996	b(6)
003b. memo	Department of the Navy to Director, White House Medical Unit; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)
003c. letter	Talal M. Nsouli, M.D. to E. Connie Mariano; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)
003d. memo	Chief of Cardiology to Dr. Mariano; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)
003e. memo	Staff Dermatologist to Director, White House Medical Unit; RE: President Clinton's annual medical exam (1 page)	00/00/0000	b(6)
003f. memo	Deputy Commander, National Naval Medical Center to Dr. Mariano; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)
003g. memo	Chairman, Department of Orthopaedic Surgery to Director, White House Medical Unit; RE:President Clinton's annual medical exam (1 page)	09/13/1996	b(6)
003h. memo	Cammander Scott Haney to Director, White House Medical Unit; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)
003i. memo	Department of Otolaryngology to Whom It May Concern; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

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RESTRICTION CODES

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C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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Health
Aug 21 '96

Kennedy-Kassebaum Questions and Answers:

Q. Isn't it true that the Kennedy-Kassebaum bill has nothing to do with providing coverage for the 40 million Americans without insurance?

A. The President never claimed that this legislation represented the final answer to all the challenges facing our health care system. He does believe, however, that the guarantee issue, portability, fraud and abuse enforcement provisions, and the increase in the self-employed tax deduction will increase access to affordable coverage for many Americans. Moreover, the very fact that Republicans and Democrats could find a way to work together to improve the health care system gives him (and he thinks the nation) a sense of optimism that we can work together for further improvements.

Q. What is the President going to do to expand coverage to the uninsured? How is he going to make it affordable?

A. The President believes the next logical step toward further expanding access to affordable coverage is to pass his initiative to provide premium assistance to Americans transitioning from one job to another. His Workers' Transition Initiative would assist 3 million Americans, including 700,000 children, costs about $2 billion a year, and is paid for in the context of his balanced budget proposal. It would better assure that people stay covered and, as a result, maintain their Kennedy-Kassebaum portability protections. There is more that can and should be done. The President looks forward to working with Democrats and Republicans -- as he did with the Kennedy-Kassebaum bill -- to take additional steps to improve the nation's health system.

Q. There are reports that a technical corrections bill will be necessary to fix flaws in the drafting of the Kennedy-Kassebaum bill. If such a bill moved in the Congress, would you support it?

A. We are aware of no major drafting problems in the bill that would in any way undermine the statutory intent of the Kennedy-Kassebaum measure. We are reviewing the final bill. If there is a need for a purely technical corrections bill, we will, as we always do with major initiatives, work with the Democratic and Republican Leadership on a clean, technical corrections bill. Once again, however, we have not been advised of any major drafting problems that merit concern.

Press Handout

HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

August 21, 1996

Contact: HHS Press Office
(202) 690-6343

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

Background: On August 21, 1996, President Clinton signed into law the Health Insurance Portability and Accountability Act of 1996, which includes important new protections for an estimated 25 million Americans (approximately 1 in 10) who move from one job to another, who are self-employed, or who have pre-existing medical conditions. The legislation, which was jointly sponsored by Sen. Edward Kennedy (D-Mass.) and Sen. Nancy Kassebaum (R-Kan.), was approved virtually unanimously by the House and Senate. It is designed to improve the availability of health insurance to working families and their children.

Key Provisions

- **Guaranteed Access for Small Business.** Small businesses (50 or fewer employees) are guaranteed access to health insurance. No insurer can exclude an employee or a family member from coverage based on health status.

  For example, until now, the owners of the "Good Food Cafe" have been unable to buy insurance for their 25 workers because insurance companies wanted to exclude "Bill Smith" from the policy because he has been diagnosed with cancer. Now all of the employees of "Good Food Cafe" will be able to obtain coverage.

- **Guaranteed Renewal of Insurance.** Once an insurer sells a policy to any individual or group, they are required to renew coverage regardless of the health status of any member of a group.

  In other words, if "Mary Jones," one of the employees of "Good Food Cafe," develops a heart condition, the insurance company must renew the Cafe's policy without dropping "Mary" or the Cafe from coverage.

- **Guaranteed Access for Individuals.** People who lose their group coverage (for example, because of loss of employment or change of jobs to a firm without insurance) will be guaranteed access to coverage in the individual market, or states may develop alternative programs to assure that comparable coverage is available to these people. The coverage will be available without regard to health status, and renewal will be guaranteed.

  So, if "Mary Jones" leaves her job with the "Good Food Cafe" to take a new job with "Zenith Tool and Die," which does not provide health coverage, Mary will be able to buy private insurance even if she is in poor health.

- **Pre-existing Conditions.** Workers covered by group insurance policies cannot be excluded from coverage for more than 12 months due to a pre-existing medical condition. Such limits can only be placed on conditions treated or diagnosed within the six months prior to their enrollment in an insurance plan. Insurers cannot impose new pre-existing condition exclusions for workers with previous coverage.

  Finally, "Mary Jones'" new insurance company can only exclude coverage of her heart condition for a maximum of 12 months. And, this exclusion will be reduced for every month of coverage "Mary" previously had at the "Good Food Cafe."

- **Enforcement.** States have primary responsibility to enforce these protection. If states fail to act, the Secretary of Health and Human Services can impose civil monetary penalties on insurers. The Secretary of Labor will enforce these rules for self-insured (ERISA) plans. The tax code is modified to allow the Secretary of Treasury to impose tax penalties on employers or insurance plans that are out of compliance.

- **Self-employed Individuals.** The current tax deduction for insurance costs of self-employed individuals is gradually increased from 30 percent in 1996 to 80 percent in 2002.

- **Medical Savings Accounts.** From Jan. 1, 1997, to Jan. 1, 2000, firms with 50 or fewer employees and self-employed individuals enrolled in a qualified high deductible health plan can establish tax-favored medical savings accounts, or MSAs. Annual deductibles are $1,500 to $2,250 for individuals and $3,000 to $4,500 for families. Maximum out-of-pocket expenses are $3,000 for individuals and $5,500 for families. The maximum number of MSAs is limited to 750,000 for the 4-year demonstration period.

- **Fraud and Abuse Control.** A new health care fraud and abuse control program is created, to be coordinated by the HHS Office of the Inspector General and the Department of Justice. Funds for this program are appropriated from the Medicare Hospital Insurance (HI) trust fund;

  -- Establishes the Medicare Integrity Program to be funded through appropriations from the HI trust fund;
  -- Requires exclusion from Medicare and Medicaid for felony convictions related to health care fraud or controlled substances;
  -- Creates a program encouraging Medicare beneficiaries to report fraud and abuse and offer suggestions to improve efficiency of the Medicare program, and provides for payment to beneficiaries in certain cases;
  -- Requires issuance of advisory opinions, additional safe harbors, and fraud alerts regarding the anti-kickback statute;
  -- Creates a new exception to the anti-kickback statute for certain risk-sharing organizations;
  -- Expands conditions under which civil monetary penalties and intermediate sanctions can be imposed on HMOs participating in Medicare;
  -- Establishes a data base of final adverse actions taken against health care providers; and
  -- Makes knowing and willful transfer of assets to gain Medicaid eligibility subject to criminal penalties.

- **Long-Term Care Insurance.** Minimum federal consumer protection and marketing requirements are established for tax-qualified long-term care insurance policies, including a requirement that insurers start benefit payments when a policy-holder cannot perform at least two "activities of daily living" (i.e., bathing, eating, toileting, transferring, dressing, and incontinence). Subject to certain limitations, clarifies that long-term care insurance premium payments and unreimbursed long-term care services costs are tax deductible as a medical expense, and benefits received under a long-term care insurance contract are excludable from taxable income. Employer sponsored long-term care insurance is to receive the same tax treatment as health insurance.

- **Medigap Insurance.** Revises the notices requirement for health insurance policies that pay benefits without regard to Medicare coverage or other insurance coverage. Long-term care policies are permitted to coordinate with Medicare and other coverage and must disclose any duplication of benefits.

- **Administrative Simplification.** All health care providers and health plans that engage in electronic administrative and financial transactions must use a single set of national standards and identifiers. Electronic health information systems must meet security standards. This should result in more cost-effective electronic claims processing and coordination of benefits.

- **Health Information Privacy.** If Congress does not enact privacy legislation within three years, health care providers, health plans, and health care clearinghouses will be required to follow privacy regulations promulgated by HHS for individually identifiable electronic health information.

- **Viatical Insurance Settlements.** A person who is within 24 months of death can have a portion of their death benefit of a life insurance policy prepaid by the issuing insurance company tax free. Such a person also is allowed to sell his or her life insurance to a viatical settlement company tax free. A chronically-ill individual can sell their life insurance and any long-term care insurance rider tax free; the proceeds of such a sale must be spent on long term care.

- **Effective Dates.** The long term care insurance provisions are effective Jan. 1, 1997. The MSA provisions are effective Dec. 31, 1996. The insurance reform provisions are effective July 1, 1997.

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Press Handout

PRESIDENT CLINTON SIGNS LANDMARK KENNEDY-KASSEBAUM HEALTH CARE LEGISLATION "H.R. 3101, THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996"

August 21, 1996

"Finally, if our working families are going to succeed in the new economy, they must be able to buy health insurance policies that they do not lose when they change jobs or when someone in their family gets sick. Over the past two years, over one million Americans in working families have lost their health insurance. We have to do more to make health care available to every American. And Congress should start by passing the bipartisan bill sponsored by Senator Kennedy and Senator Kassebaum that would require insurance companies to stop dropping people when they switch jobs, and stop denying coverage for preexisting conditions. Let's all do that. "

-- President Clinton, State of the Union, January 23, 1996

Taking an important step forward to increase the health security of working Americans, President Clinton today will sign H.R. 3103, the Health Insurance Portability and Accountability Act of 1996 -- legislation which will ensure the portability of health benefits when workers change or lose their jobs and protect workers against discrimination by health plans based on their health status. The bill, co-sponsored by Senator Nancy Kassebaum (R-KS) and Senator Edward Kennedy (D-MA), passed with overwhelming bi-partisan support August 2 following President Clinton's strong public push for the measure in his 1996 State of the Union address. The pressure exerted by President Clinton for passage of Kennedy-Kassebaum succeeded in ending the attempts of some in Congress to thwart a vote on the bill.

Up to 25 million Americans will benefit from Kennedy-Kassebaum's portability, guarantee issue and guarantee renewal insurance provisions. As a result, workers will no longer be locked into "second-choice" jobs because current restrictions on the coverage of their (or their families') pre-existing conditions prevent them from moving into new jobs. A fact sheet on Kennedy-Kassebaum's provisions is attached.

Legislative History and President Clinton's Intervention

Senator Kassebaum and Senator Kennedy successfully shepherded through the Labor and Human Resources Committee an insurance reform bill that was unanimously reported out of Committee in the Fall of 1995. Unfortunately, a number of "holds" on the bill made it virtually impossible to bring the bill up for a vote. The Senate "logjam" was broken soon after President Clinton referenced the Kennedy-Kassebaum bill in his State of the Union Address.

Excerpts from Statement of Senator Kennedy, 8/2/96

"The Kennedy-Kassebaum bill ... would still be on the Senate calendar today, if it had not been for the courageous leadership and timely intervention of President Clinton."

"The President focused the attention of the both the press and the public on the legislation -- and on the secret maneuvers that were stabbing it in the back. The obstruction failed."

Excerpts from news article "There they go again," by David Bowermaster and Bruce Auster, *U.S. News and World Report*, April 8, 1996

"Languishing. The measure (Kennedy-Kassebaum) remained marooned until January, when President Clinton called on Congress to help him "do more to make health care available to every American" by passing the Kennedy-Kassebaum bill. Shortly thereafter, the news media learned of the holds, and pressure for action began mounting."

Record of Votes on Kennedy-Kassebaum:

The House first passed the bill on a 267-151 vote March 28, 1996.
The Senate passed 100-0 its amended version of H.R. 3103 on April 23, 1996.
The House adopted the conference report to the bill on August 1, 1996, 421-2.
The Senate cleared the conference report to H.R. 3103 on August 2, 1996, 98-0.

Signing Ceremony Program

The President will sign the Kennedy-Kassebaum bill before an audience of health care deliverers, representatives from business and the insurance industry, members of Congress, administration officials and working Americans who will benefit from this legislation. Among the guests will be former Surgeon General C. Everett Koop, Health and Human Services Secretary Donna Shalala, Labor Secretary Robert Reich and Small Business Administrator Philip Lader. Among the members of Congress expected to attend are: Senator Edward Kennedy (D-MA), Senator Nancy Kassebaum (R-KS), Senator John Breaux (D-LA), Senator Bill Cohen (R-ME), Senator Byron Dorgan (D-ND), Senator Carl Levin (D-MI), Rep. Michael Bilirakis (R-FL), Rep. John Conyers (D-MI), Rep. Harris Fawell (R-IL), Rep. Dennis Hastert (R-IL), Rep. David Hobson (R-OH), Rep. Carolyn Maloney (D-NY) and Rep. Bill Thomas (R-CA).

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The President will be joined on stage by working Americans who will benefit from this legislation. Brief bios of these families follow:

Merit Kimball of Silver Spring, Maryland
Age 41

Merit was diagnosed with breast cancer on her 40th birthday. Soon after, she lost a kidney to cancer. Recently, she learned that the cancer has moved into her bones. She currently receives her health insurance through the non-profit where she works, the National Alliance for Health Reform. However, because she works for a non-profit, Merit continually worries about the organization staying afloat and about how, under the current system, losing her job could mean losing her health coverage due to pre-existing condition restrictions. Post Kennedy-Kassebaum, she won't have to worry that her earlier illness could prevent her from obtaining health care coverage if she moves to a new job.

Tensia Alvarez of Dunn Loring, VA
Age 51

Ms. Alvarez -- who cares for her two teenage children, Lesley and Christian, and her mother, Hortensia -- (b)(6) At the time she was self-insured and the diagnosis caused her some problems with continuing coverage. Tensia lives with the fear of her pre-existing condition. She is currently employed in Public Affairs at the Smithsonian.

[001]

Richard and Linda Hopper and Kristin Elyse, Age 6 of Falls Church, VA

(b)(6)

(b)(6) Because of the exclusion for pre-existing condition, obtaining health care insurance has been a constant worry and concern of the Hopper's. Linda is a nurse at Sibley Hospital where she has worked for 15 years and would like to change jobs.

The speaking program is as follows:

* Senator Edward Kennedy (D-MA) makes welcoming remarks and introduces Senator Nancy Kassebaum (R-KS).

* Senator Nancy Kassebaum make remarks and introduces Merit Kimball.

* Merit Kimball makes remarks and introduces the President.

* The President delivers remarks.

* At the conclusion of the President's remarks, he will sign H.R. 3103.

-30-30-30-

FACT SHEET ON KENNEDY-KASSEBAUM

* **Portability and Protections Against Pre-Existing Condition Exclusions.** Insurers are prohibited from imposing new pre-existing condition exclusions for workers with previous coverage. New workers (who previously did not have coverage) in a group plan cannot be excluded from coverage for more than 12 months due to a pre-existing condition. Such limits can only be placed on conditions treated or diagnosed within the six months prior to their enrollment in an insurance plan.
* **Guarantee Issue.** No insurer can exclude (or "red-line") an employee of a small business (50 or fewer employees) or a family member from coverage based on health status.
* **Guarantee Renewal.** Insurers are required to renew coverage regardless of the health status of any member of a group.

<u>Other Important Reforms</u>

One of the least well known facts about the Kassebaum-Kennedy bill is that it includes numerous non-insurance reform provisions. With the exception of MSAs, virtually all of the other provisions are very similar to health care initiatives you have proposed in the past, including:

* **Self-Employed Health Tax Deduction.** The bill assures that the self-employed are treated more like other employers who are purchasing health insurance by phasing the self-employed tax deduction to 80%.
* **Fraud and Abuse.** By providing for permanent funding and greater penalties, this bill strengthens our hands in better targeting and prosecuting "bad apple" health care providers who are bilking the system of billions of dollars from Medicare, Medicaid and private insurance.
* **Health Care Simplification.** By helping to design a common electronic system for paying health care claims that all private insurers would use, the bill modernizes, streamlines and cuts costs of health insurance paperwork. This measure also takes steps toward establishing Federal privacy protections that would prohibit inappropriate disclosure of this information.
* **Long Term Care Tax Clarifications and Consumer Standards.** The Kennedy-Kassebaum bill includes the tax clarifications for private long-term care policies and many of the basic consumer protections that were in the Health Security Act. These provisions should increase the sales of responsible private long-term care insurance policies, which should reduce future financial burdens on the nation's public programs caused by an aging population.
* **Medical Savings Accounts (MSAs).** The bill caps the number of MSA policies to 750,000. These policies are to be studied during a 4-year experiment and no expansion can take place without a separate, affirmative vote (under regular order procedures) by the Congress. Consumer protections are included that cap maximum deductibles to $2,250 for individuals/$4,500 for families, and limit total out-of-pocket costs of covered services to $3,000 for individuals/$5,500 for families. These constrained catastrophic limits are designed to guard against adverse selection.

Health Care Reform
8/20/96

Kennedy Kassebaum Signing Ceremony
August 20, 1996

- Like today's minimum wage signing, tomorrow's signing of the Kennedy Kassebaum health care bill will be a large event and bipartisan. A current list of invites and acceptances from leg affairs is attached.

- Note -- Both Gingrich and Lott were invited, but neither will be able to attend. Both Kennedy and Kassebaum will be present and are expected to speak on the program. A real working American (tba) who will benefit from this legislation will introduce the President for his remarks at tomorrow's 2:15 pm South Lawn ceremony.

- More than 500 people are expected to attend the signing, including state officials, representatives from business, insurers, consumer advocates, health care providers, health care policy experts and real working Americans who will benefit from the bill.

- It is safe to say Kennedy Kassebaum would not be a reality today were it not for President Clinton's strong support for the bill and his decision to highlight it in his 1996 State of the union message. Prior to the President's strong public push for the measure, the legislation was dead in the water in Congress. Substantive points on Kennedy Kassebaum attached.

PRESIDENT CLINTON, STATE OF THE UNION 1996

"Finally, if our working families are going to succeed in the new economy, they must be able to buy health insurance policies that they do not lose when they change jobs or when someone in their family gets sick. Over the past two years, over one million Americans in working families have lost their health insurance. We have to do more to make health care available to every American. And Congress should start by passing the bipartisan bill sponsored by Senator Kennedy and Senator Kassebaum that would require insurance companies to stop dropping people when they switch jobs, and stop denying coverage for preexisting conditions. Let's all do that."

Drafted: KMcKiernan

MEMBERS OF CONGRESS CONFIRMED TO ATTEND KENNEDY KASSEBAUM SIGNING (8):

Sen. Edward Kennedy (D-MA)
Sen. Nancy Kassebaum (R-KS)
Sen. John Breaux (D-LA)
Sen. Bill Cohen (R-ME)
Sen. Carl Levin (D-MI)
Rep. Michael Bilirakis (R-FL)
Rep. Dennis Hastert (R-IL)
Rep. David Hobson (R-OH)
Rep. Bill Thomas (R-CA)

PENDING (10):

Jim Jeffords
Dick Gephardt
Rosa DeLauro
Nancy Johnson
Pete Stark
Harris Fawell
John Conyers
Matthew Martinez
John LaFalce
Jan Meyers

INVITED BUT UNABLE TO ATTEND:

Trent Lott	Gingrich
Tom Daschle	Bonior
George Mitchell	Richardson
Chris Dodd	Lewis
Bill Roth	Edwards
Byron Dorgan	Frost
John Chafee	Gibbons
Alan Simpson	Kennelly
Paul Wellstone	Clay
Jay Rockefeller	Goodling
Pete Domenici	Hyde
Daniel Patrick Moynihan	Bliley
David Pryor	Archer
	Roukema
	Dingall
	Waxman
	Williams
	McCollum
	Fazio

AGREEMENT ON KENNEDY-KASSEBAUM LEGISLATION

- The President is extremely pleased that we have achieved a long-overdue victory for millions of Americans who live in fear of losing their health insurance when they change or lose their jobs. He is very appreciative that the Congress responded to his State of the Union Address challenge to pass this important legislation.

- The President is particularly grateful for the extraordinary efforts by Senator Kennedy and many other Democratic Members who worked tirelessly to assure that this bill emerged from Congress as meaningful and important health reform.

- No longer will Americans live in fear of losing their coverage just because they have a pre-existing condition. No longer will Americans face the dilemma of hesitating to go to a new and better job for fear of losing their insurance coverage. And because of the bill's guarantee issue provisions, no longer will small businesses be denied the ability to provide coverage for their employees.

- As many as 25 million Americans will benefit from the important portability, guarantee renewal, and guarantee issue insurance reform provisions included in the Kennedy-Kassebaum legislation. The President looks for signing this bill into law as soon as next week.

- Although the health insurance provisions are the heart and soul of this important legislation, there are numerous other measures that the President has long advocated for that are included in this legislation:

  Preventing Fraud and Abuse. The President, the Secretary of Health and Human Services, the Secretary of Labor and the Attorney General have long sought statutory changes that strengthen their hand in targeting and prosecuting "bad apple" health care providers who are bilking the system of billions of dollars from Medicare, Medicaid and private insurance. This legislation provides for the expansion of penalties and permanent funding to enable the Federal Government to combat fraud.

Making the Health Care System More Simple. The legislation would modernize, streamline and cut costs of health insurance paperwork by providing for a common electronic system for paying health care claims that all private insurers would use. This bill also provides the Secretary the authority to establish Federal privacy protections that would prohibit inappropriate disclosure of this information.

Clarifying the Tax Treatment of Long-Term Care Policies and Providing for Consumer Protection Standards. The legislation would make private long-term care insurance more accessible and affordable by clarifying that these policies have the same tax favored status as traditional health plans. In order to sell these policies, however, the health policies would have to meet appropriate consumer disclosure requirements and other design standards that protect consumers.

Eliminating the Discriminatory Health Care Tax Treatment of the Self-Employed. The bill moves toward assuring that the self-employed are treated the same as all other employers who are purchasing health insurance by phasing up the self-employed tax deduction to 80 percent. This is a long-overdue change that the President has long advocated.

- Clearly there remains many unaddressed problems in our health care system. The 40 million Americans without insurance in this nation attests to this fact. We must work vigilantly to assure that the quality of health care that Americans are receiving remains the best in the world. And, we must work to assure that no American is discriminated against on the basis of a particular diagnosis. As such, as the President has indicated, he is very disappointed that the Republican Leadership did not see fit to include the Domenici/Wellstone mental health parity compromise provisions into the final conference report.

- This legislation does, however, provide for a strong foundation from which we can address the many other health care challenges facing this nation. The President looks forward to signing the Kennedy-Kassebaum bill and continuing his work and commitment to providing affordable, quality health care to all Americans.

ACHIEVEMENTS IN HEALTH REFORM

President Clinton's numerous achievements in health care reform include:

- **Passed portability, guarantee issue and guarantee renewal insurance reforms.** In response to the President's State of the Union challenge, the Congress finally passed long-overdue insurance reforms that will benefit as many as 25 million Americans. As a result, workers will no longer be locked into "second-choice" jobs because their (or their families') pre-existing condition make them live in fear of losing health insurance. Similar insurance reform provisions were included in the Health Security Act and the President's balanced budget proposals.

- **Eliminated the discriminatory tax treatment of the self-employed.** The President advocated eliminating or reducing the 100 percent vs. 30 percent disparity between large employers and the self-employed for years (the 1992 Campaign, the Health Security Act, and the President's two balanced budget proposals). The Kennedy-Kassebaum bill increases the deduction to 80 percent for the 3 million self-employed Americans now purchasing health care, (which is close to parity since most employers do not pay for more than 80 percent of their employees' premiums).

- **Strengthened fraud and abuse prevention and enforcement initiatives.** The Kennedy-Kassebaum legislation included provisions long sought by Secretary Shalala that strengthen our ability to target and prosecute "bad apple" health providers who are bilking the system of billions of dollars from Medicare, Medicaid, and private insurance. The bill expands penalties and provides for permanent funding to build on our already successful efforts to combat fraud. The Congressional Budget Office conservatively estimates that these provisions will save over $3 billion.

- **Provided tax incentives for private long-term care policies and consumer protections to go along with them.** The Kennedy-Kassebaum bill included the tax clarifications for private long-term care policies and many of the basic consumer protections that were in the Health Security Act. These provisions should increase the sales of responsible private insurance policies, which should reduce future financial burdens on the nation's public programs caused by an aging population.

- **Provided the tools to simplify the health care system and reduce paperwork, while still protecting the privacy of patient records.** The Kennedy-Kassebaum bill included provisions the President has long called for that would modernize, streamline and cut the costs of insurance paperwork by providing standards for a common electronic system for paying health claims that most private insurers would use. The bill also provides the Secretary the authority to establish Federal privacy protections that would prohibit inappropriate disclosure of information.

Health care
9/6/96 mtg MEG, BT

STATEMENTS SUPPORTING

THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

"President Clinton's call for the National Commission on Health Care Quality provides an excellent opportunity for policy makers to review the many different types of health care financing arrangements that currently exist in the marketplace ..."

-- Health Insurance Association of America

"We eagerly applaud the formation of the President's new commission to protect patients and guarantee quality care."

-- American Medical Association

". . .the right time for this kind of commission to go to work."

-- American Hospital Association

"The President's decision to examine the entire issue of managed care quality and access should be applauded by every consumer in America."

-- Citizen Action

"We support any effort to identify and rectify problems with our health care system and applaud the President for creating a forum where these problems will be addressed."

-- Consumers Union

NEW EVIDENCE THAT THE ECONOMY IS ON THE RIGHT TRACK UNDER PRESIDENT CLINTON

September 6, 1996

TODAY, NEW DATA SHOWS THE AMERICAN ECONOMY IS ON THE RIGHT TRACK FOR THE 21st CENTURY & PRESIDENT CLINTON'S ECONOMIC STRATEGY IS WORKING.

- **Unemployment Is Down To 5.1% -- Lowest In Over 7 Years and 2nd Lowest In 22 Years.** The unemployment rate fell to 5.1% -- its lowest level since March 1989 and its 2nd lowest level since May 1974. By comparison, 4 years ago, the unemployment rate was 7.5%. [Source: BLS.]

- **10.5 Million New Jobs.** Last month, the economy added 250,000 new jobs. During the Clinton Administration, the economy has now created 10.5 million new jobs -- that's a faster annual rate of job growth than *any* Republican Administration since the Roaring 1920s. [Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.]

- **Real Wages Are Rising Again.** Today's news shows that over the past 12 months, average hourly wages have increased 3.6% -- outpacing the rate of inflation. Today's number confirms what *Business Week* (8/12/96) wrote just a few weeks ago: "[F]or the first time in more than a decade, real wages are showing sustained increases..." [Source: Bureau of Labor Statistics.]

- **Auto Employment Increased To 979,000 -- Highest Since 1979.** Last month, the auto industry added 24,000 new jobs. There are now more auto jobs than at any time since July 1979. After losing 35,000 jobs in the automobile industry during the previous four years, 131,000 new auto jobs have been added under President Clinton's leadership. [Source: Bureau of Labor Statistics.]

- **Turning The Corner In Basic American Industries.** After losing jobs in construction and manufacturing during the previous 4 years, these basic industries are coming back:

  - **916,000 New Construction Jobs -- Faster Rate of Growth Than Any Administration Since Truman.** After losing 667,000 jobs in construction during the previous four years, 916,000 new construction jobs have been added since January 1993 -- that's a faster annual rate than any other Administration since Harry S Truman was President. [Source: Bureau of Labor Statistics, Current Employment Statistics survey.]

  - **186,000 New Manufacturing Jobs -- Faster Rate of Growth Than Any Republican Administration Since 1920s.** After losing 2.1 million manufacturing jobs during the previous two Administrations, the economy has added 186,000 new manufacturing jobs since President Clinton took office -- that's a faster annual rate of job growth than any Republican Administration since the Roaring 1920s. [Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.]

TODAY'S NEW DATA COUPLED WITH NEWS FROM THE PAST FEW WEEKS SHOWS AN ECONOMY GROWING STRONG & ON THE RIGHT TRACK FOR THE FUTURE.

- **The Economy Is Growing At 4.8% Rate.** In the second quarter of 1996, the economy grew a strong 4.8% (at an annual rate). Since President Clinton took office, the private sector has expanded 3.2% annually -- that's stronger than during either the Reagan or Bush Administrations. [Source: Based on data from the Department of Commerce, Bureau of Economic Analysis.]

- **Consumer Confidence Is At Its Highest Level In 6 Years.** According to the Conference Board, consumer confidence increased to 109.4 in August -- its highest level in 6 years, double what it was the month before President Clinton was elected in 1992, and at about the same level when Ronald Reagan said it was "Morning in America" in 1984. [Source: The Conference Board]

- **Homeownership At 15-Year High & Home Sales Up Nearly 8% In July.** Last week, the Commerce Department reported that home sales increased nearly 8% in July. In the second quarter of 1996, the homeownership rate increased to its highest level in 15 years. Since President Clinton took office, 4.4 million more Americans have become homeowners. [Source: Department of Commerce]

JOBS DATA, in thousands -- September Release, thru August 1996

08:41 AM
06-Sep-96

		total	private sect	manu	construc	autos
	August 96	120,032	100,465	18,295	5,432	979
in Administration	Jan. 93	109,524	90,785	18,109	4,516	848
92.1203% in private sector	increase	10,508	9,680	186	916	131
months: 43	rate	244	225	4	21	3
	times Bush rate:	4.631	7.774			
since budget plan	Aug. 93	111,011	92,150	18,046	4,698	830
92.1738% in private sector	increase	9,021	8,315	249	734	149
months: 36	rate	251	231	7	20	4
	times Bush rate:	4.749	7.976			
last 12 months	August 95	117,499	98,130	18,439	5,164	972
92.1832% in private sector	increase	2,533	2,335	(144)	268	7
months: 12	rate	211	195	(12)	22	1
	times Bush rate:	4.000	6.719			
Last 6 Months	Feb. 96	118,579	99,214	18,352	5,349	957
86.0977% in private sector	increase	1,453	1,251	(57)	83	22
months: 6	rate	242	209	(10)	14	4
	times Bush rate:	4.589	7.200			
in 1996	Dec. 95	118,136	98,789	18,367	5,223	959
88.3966% in private sector	increase	1,896	1,676	(72)	209	20
months: 8	rate	237	210	(9)	26	3
	times Bush rate:	4.491	7.235			
last month	July 96	119,782	100,292	18,270	5,426	955
69.2000% in private sector	increase	250	173	25	6	24
months: 1	rate	250	173	25	6	24
	times Bush rate:	4.737	5.974			
Bush Numbers	Jan. 89	106,991	89,395	19458	5183	883
	Jan. 93	109,524	90,785	18,109	4,516	848
	Increase	2533	1390	-1349	-667	-35
months: 48	Monthly:	53	29	(28)	(14)	(1)

unemp. rate	5.1%

TOTAL JOB GROWTH

	Start	22 month	65 month	*Start-22 month* Number Change	*22 month-65 month* Number Change
1990s Recovery	108346	109524	120032	1178	10508
1980s Recovery	88649	95186	104552	6537	9366

PRIVATE-SECTOR JOB GROWTH

	Start	22 month	65 month	*Start-22 month* Number Change	*22 month-65 month* Number Change
1990s Recovery	90001	90785	100465	784	9680
1980s Recovery	72831	79077	87246	6246	8169

OVERALL GDP GROWTH

	Start	Quarter #8	Quarter #21	*Start-Quarter #8* Annual Percent Change	*Quarter #8-Quarter #21* Annual Percent Change
1990s Recovery	6047.9	6327.0	$6,894.5	2.3%	2.7%
1980s Recovery	4622.8	5202.7	5782.9	6.1%	3.3%

PRIVATE-SECTOR GDP GROWTH

	Start	Quarter #8	Quarter #21	*Start-Quarter #8* Annual Percent Change	*Quarter #8-Quarter #21* Annual Percent Change
1990s Recovery	4785.3	5069.8	$5,614.7	2.9%	3.2%
1980s Recovery	3647.3	4162.3	4610.4	6.8%	3.2%

Job Growth

	Start	End	Change	Average Annual Rate (PERCENT)	Average Annual Rate (NUMBER)
Clinton	109524	120032	10508	2.590%	2932
Reagan-Bush	91003	109524	18521	1.556%	1543
Bush	106991	109524	2533	0.587%	633
Reagan	91003	106991	15988	2.044%	1999
Ford	78478	80517	2039	1.067%	844
Nixon	69272	78478	9206	2.260%	1649
Eisenhower	50045	53534	3489	0.846%	436
Hoover	31324	23699	-7625	-6.736%	-1906
Coolidge	28382	31324	2942	2.496%	736
Harding	24372	28382	4010	7.914%	2005

Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

Last Updated: 06-Sep-96

Private-Sector Job Growth

	Start	End	Change	Average Annual Rate (PERCENT)	Average Annual Rate (NUMBER)
Clinton	90785	100465	9680	2.868%	2701
Reagan-Bush	74805	90785	15980	1.626%	1332
Bush	89395	90785	1390	0.386%	348
Reagan	74805	89395	14590	2.252%	1824
Ford	64268	65596	1328	0.850%	550
Nixon	57218	64268	7050	2.103%	1263
Eisenhower	43370	45100	1730	0.490%	216
Hoover	28259	20533	-7726	-7.674%	-1932
Coolidge	25775	28259	2484	2.327%	621
Harding	21844	25775	3931	8.626%	1966

Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

Last Updated: *06-Sep-96*

Manufacturing Job Growth

	Start	End	Change	Average Annual Rate (PERCENT)	Average Annual Rate (NUMBER)
Clinton	18109	18295	186	0.286%	52
Reagan-Bush	20236	18109	-2127	-0.921%	-177
Bush	19458	18109	-1349	-1.780%	-337
Reagan	20236	19458	-778	-0.489%	-97
Ford	20157	19276	-881	-1.832%	-365
Nixon	20019	20157	138	0.123%	25
Eisenhower	17490	16163	-1327	-0.981%	-166

Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

Last Updated: *06-Sep-96*

Percent in the Private Sector

	Total	Private	Percent
Clinton	10508	9680	92.120%
Reagan-Bush	18521	15980	86.280%
Bush	2533	1390	54.876%
Reagan	15988	14590	91.256%
Carter	10486	9209	87.822%
Ford	2039	1328	65.130%
Nixon	9206	7050	76.580%
Johnson	12146	9451	77.812%
Kennedy	3592	2667	74.248%
Eisenhower	3489	1730	49.584%
Truman	8769	8129	92.702%
Roosevelt	17577	14708	83.678%
Hoover	-7625	-7726	n.a.
Coolidge	2942	2484	84.432%
Harding	4010	3931	98.030%

Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

Construction Job Growth

	Start	End	Change	Average Annual Rate (PERCENT)	Average Annual Rate (NUMBER)
Clinton	4516	5432	916	5.289%	256
Reagan-Bush	4265	4516	251	0.478%	21
Bush	5183	4516	-667	-3.385%	-167
Reagan	4265	5183	918	2.467%	115
Carter	3542	4265	723	4.753%	181
Ford	3966	3542	-424	-4.571%	-175
Nixon	3485	3966	481	2.343%	86
Johnson	3029	3485	456	2.751%	88
Kennedy	2830	3029	199	2.427%	70
Eisenhower	2688	2830	142	0.646%	18
Truman	1108	2688	1580	12.115%	204

Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

Auto Job Growth

	Start	End	Change	Average Annual Rate (PERCENT)	Average Annual Rate (NUMBER)
Clinton	848	979	131	4.090%	37
Reagan-Bush	798	848	50	0.508%	4
Bush	883	848	-35	-1.006%	-9
Reagan	798	883	85	1.273%	11
Carter	922	798	-124	-3.546%	-31
Ford	917	922	5	0.225%	2
Nixon	905	917	12	0.236%	2
Johnson	752	905	153	3.650%	30
Kennedy	643	752	109	5.682%	38
Eisenhower	893	643	-250	-4.022%	-31
Truman	756	893	137	2.172%	18

Source: Based on data from the Bureau of Labor Statistics, Current Employment Statistics survey.

Health
8/2/96

Press Guidance on Kennedy-Kassebaum
August 2, 1996

Background: Senator Lott inserted a last minute provision in the Kennedy-Kassebaum legislation to provide a two year patent extension to American Home Products for the drug Lodine. This was done without the knowledge or consent of the Democratic conferees. We expect that the Dems on the Hill will make an issue of this today and it could potentially delay the legislation.

Points:

- We are very disappointed and find it highly regrettable that this provision would be inserted without the Democratic conferees. This is an example of exactly the type of special interest influence that the American public is concerned about.

Will the President sign the bill with this provision?

- We would certainly prefer it not be included. However, we don't know what is going to happen in the congress today and we are looking into it.

Mellody per Chris Jennings

8/1/96
Health Care

Kassebaum Kennedy
per Chris Jennings / 6-5560

Q. Senator Domenici is threatening to hold up the entire Kassebaum-Kennedy bill up over the fact that it includes no acceptable mental health parity protections. Is the President concerned?

A. The President shares Senator Domenici's frustration and disappointment that the Republican Leadership did not see fit to include the mental health parity compromise provision in the final conference report. It was reasonable compromise that fairly addressed the concerns of the business community. (See Leon's July 30th Letter to the Conferees).

The President remains committed to working with Senator Domenici, Senator Wellstone, and the large number of Members of Congress on both sides of the aisle who support this provision. ~~He would be supportive of Senator Domenici's efforts to add this provision to the Kennedy-Kassebaum bill if it does not threaten the underlying bill.~~ The President believes, however, that Senator Domenici agrees that the underlying bill's insurance reform protections are also critically important to those Americans afflicted with mental illness and, as such, should not be placed at undue risk. He is confident that Senator Domenici will appropriately balance his desire to improve the bill with the need to enact the Kassebaum-Kennedy bill.

DRAFT

AGREEMENT ON KENNEDY-KASSEBAUM LEGISLATION

- The President is extremely pleased that we have achieved a long-overdue victory for millions of Americans who live in fear of losing their health insurance when they change or lose their jobs. He is very appreciative that the Congress responded to his State of the Union Address challenge to pass this important legislation.

- No longer will Americans live in fear of losing their coverage just because they have a pre-existing condition. No longer will Americans face the dilema of hesitating to go to a new and better job for fear of losing their insurance coverage. And because of the bill's guarantee issue provisions, no longer will small businesses be denied the ability to provide coverage for their employees.

- As many as 25 million Americans will benefit from the important **portability, guarantee renewal, and guarantee issue** insurance reform provisions included in the Kennedy-Kassebaum legislation. The President looks for signing this bill into law as soon as next week.

- Although the health insurance provisions are the heart and soul of this important legislation, **there are numerous other measures that the President has long advocated for that are included in this legislation:**

  Preventing Fraud and Abuse. The President, the Secretary of Health and Human Services, the Secretary of Labor and the Attorney General have long sought statutory changes that strengthen their hand in targetting and prosecuting "bad apple" health care providers who are bilking the system of billions of dollars from Medicare, Medicaid and private insurance. This legislation provides for the expansion of penalties and permanent funding to enable the Federal Government to combat fraud.

  Making the Health Care System More Simple. The legislation would modernize, streamline and cut costs of health insurance paperwork by providing for a common electronic system for paying health care claims that all private insurers would use. This bill also provides the Secretary the authority to establish Federa privacy protections that would prohibity inapproriate disclosure of this information.

Clarifying the Tax Treatment of Long-Term Care Policies and Providing for Consumer Protection Standards. The legislation would make private long-term care insurance more accessible and affordable by clarifying that these policies have the same tax favored status as traditional health plans. In order to sell these policies, however, the health policies would have to meet appropriate consumer disclosure requirments and other design standards that protect consumers.

Eliminating the Dicriminatory Health Care Tax Treatment of the Self-Employed. The bill moves toward assuring that the self-employed are treated the same as all other employers who are purchasing health insurance by phasing up the self-employed tax deduction to 80 percent. This is a long-overdue change that the President has advocated during the campaign and beyond.

- Clearly there remains many unaddressed problems in our health care system. The 40 million Americans without insurance in this nation attests to this fact. We must work vigilantly to assure that the quality of health care that Americans are receiving remains the best in the world. And, we must work to assure that no American is discriminated against by the virtue of a particular diagnosis. As such, as the President has indicated, he is very disappointed that the Republican Leadership did not see fit to include the Domenici/Wellstone mental health parity compromise provisions into the final conference report.

- This legislation does, however, provide for a strong foundation from which we can address the many other health care challenges facing this nation. The President looks forward to signing the Kennedy-Kassebaum bill and continuing his work and commitment to providing affordable, quality health care to all Americans.

THE WHITE HOUSE
WASHINGTON

July 30, 1996

Dear Mr. Chairman:

I am writing to express the President's strong support for the alternative that has been proposed by Senator Domenici to prohibit health plans from establishing separate lifetime and annual limits for mental health benefits. People with mental illness have faced discrimination in health insurance coverage for far too long, and it is time we take steps to end this inequity by including the Domenici alternative in the final version of the Health Insurance Portability and Accountability Act (H.R. 3103) presented by the conference to the Congress.

On April 23, 1996, by an overwhelmingly bipartisan vote of 68-30, the Senate passed a Domenici/Wellstone amendment which would have required health plans to treat mental health coverage on an equal footing with other health benefits. The Domenici/Wellstone amendment would have ended the most egregious inequities in coverage for mental illness.

Despite this impressive vote, concerns about the potential cost of this amendment were raised. In response, Senator Domenici dropped all of the mental health parity requirements in the amendment except equitable treatment of lifetime and annual limits. According to the Congressional Budget Office (CBO), Senator Domenici's compromise would cost 90 percent less than the original amendment ($966 million). CBO has also estimated that the proposal would increase insurance premiums by 0.4 percent at most.

The President feels strongly that Senator Domenici's compromise should be the acceptable bipartisan alternative to the Senate passed amendment. I urge you and all conferees to incorporate his proposal into the bill reported out by the conference. We look forward to reaching prompt agreement on this and all the other important provisions of H.R. 3103.

Sincerely,

Leon E. Panetta
Chief of Staff

The Honorable Bill Archer
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

Health Insurance Portability and Accountability Act of 1996
(H.R. 3103) -- Conference Agreement

Title I -- Improved Availability and Portability of Health Insurance Coverage

This title addresses a number of interrelated issues in the group health plan and individual insurance market. These include: limitations on preexisting condition exclusions; portability of prior satisfactions of preexisting condition exclusions; guaranteed renewability; prohibition on excluding individuals from coverage because of health status; and, guaranteed availability of individual policies for certain previously insured individuals under group health plans.

Title I addresses these issues with respect to employer group health plans and health insurance issuers offering groups health insurance coverage. The bill ensures the portability of health insurance for individuals moving from one group health plan to another by prohibiting group health plans and issuers of group coverage from imposing a preexisting condition exclusion that exceeds 12 months for conditions for which medical advice, diagnosis, or treatment was received or recommended within the previous six months.

Preexisting conditions could not be applied to newborns, adopted children, or pregnancy. A preexisting condition limitation period would be reduced by the length of the aggregate period of any creditable prior coverage. The bill assures that, once covered, the condition will not be excluded from future coverage if the individual meets the requirements of the bill. These provisions assure that individuals who have the opportunity to move to new jobs will not have to face limitations in their coverage for preexisting medical conditions that affect them or their families.

Title I also addresses the small group market. It provides for guaranteed availability of coverage to employees in the small group market. Each issuer that offers coverage in the small group market would have to make all health insurance policies available to small employers and accept for enrollment every eligible individual within the same employer. The bill also assures people in group health plans in both large and small employers that they cannot be excluded from coverage or from renewing their coverage based on their health status.

Title I would also ensure portability of health insurance for eligible individuals moving from group to individual coverage. The goals of these provisions are to guarantee that eligible individuals are able to obtain health insurance and to receive credit for their prior coverage toward the new coverage's preexisting condition exclusion period. This

is accomplished by giving States flexibility to achieve the guarantee of group to individual coverage through a variety of means that may include health insurance coverage pools or programs, mandatory group conversion policies, open enrollment by one or more health insurance issuers, guaranteed issue, or any combination thereof.

If a State does not elect to implement its own availability mechanism, or if the Secretary has found that a State's mechanism was not reasonably designed to meet the availability goals of the Act, federal guaranteed availability requirements would apply.

Title II -- Preventing Health Care Fraud and Abuse; Administrative Simplification; Duplication and Coordination of Medicare benefits.

This title creates a Health Care Fraud and Abuse Account within the Federal Hospital Insurance Fund. Monies derived from the newly coordinated health care anti-fraud and abuse programs, civil monetary penalties, fines, forfeitures assessed in criminal and civil cases would be transferred into the trust fund. Mandatory appropriations are also established for the Federal Bureau of Investigation (FBI), Inspector General, and the Medicare Integrity Program to modernize and strengthen Medicare's fraud and abuse activities.

The other provisions of Title II relate to health care fraud and abuse and include the following: establish a national health care fraud and abuse control program to coordinate federal, state, and local law enforcement to combat fraud with respect to health plans; establish a Medicare Integrity Program; require the Secretary to provide beneficiaries with an explanation of each item or service for which payment was made under Medicare; require the Secretary to establish a program to encourage individuals to report suspected cases of fraud and abuse in the Medicare program; extend certain criminal penalties for fraud and abuse violations under the Medicare and Medicaid programs to similar violations in federal health care programs; require the Secretary to issue written advisory opinions with respect to activities subject to fraud and abuse sanctions for a period of four years; require the Inspector General to issue fraud alerts; require the Secretary to exclude from Medicare and State health care programs for a minimum of five years individuals and entities who have been convicted of felony offenses relating to health care fraud or controlled substances; provide an additional exception to the anti-kickback provisions for risk-sharing arrangements; establish a criminal penalty for the fraudulent disposition of assets in order to obtain Medicaid benefits; apply the provisions under the Medicare and Medicaid programs which provide for civil monetary penalties for specified fraud and abuse violations to similar violations involving other Federal health care programs; clarify the level of intent required for imposition of civil monetary penalties; establish an additional civil money penalty for false certification for home health services; and, revise criminal law with

respect to health care fraud, theft or embezzlement, false statements, obstruction of criminal investigations of health care offenses, and money laundering related to health care fraud.

The main provisions of Title II related to administrative simplification would improve the Medicare and Medicaid programs and the efficiency of the health care system by encouraging the development of a health information system through the establishment of standards and requirements for the electronic transmission of certain health care information. The Secretary is required to adopt appropriate standards for financial and administrative transactions and data elements exchanged electronically. The Secretary is also required to submit recommendations on standards with respect to the privacy of individually identifiable health information. If Congress fails to enact privacy legislation, the Secretary is required to develop standards.

Title II also contains provisions on duplication and coordination of Medicare-related plans. These provisions would modify the anti-duplication provisions contained in OBRA 1990. Anti-duplication provisions would specifically state that a policy which pays benefits to or on behalf of an individual without regard to other health benefit coverage would not be considered to duplicate any health benefits under Medicare, Medicaid, or a health insurance policy. Policies offering only long-term care, nursing home care, home health care, or community based care, or any combination thereof would be allowed to coordinate benefits with Medicare and not be considered duplicative.

Title III – Tax Related Health Provisions

Beginning in 1997, Medical Savings Accounts (MSAs) are available to employees covered under an employer-sponsored high-deductible plan of a small employer and self-employed individuals. Taxpayers (including the self-employed) are allowed to make tax-deductible contributions within limits to an MSA if they satisfy various requirements, including being covered by a high deductible health plan. The earnings on amounts contributed to the MSA would be tax-free. The amounts could be withdrawn from the MSA tax and penalty free if used for specified medical purposes.

The maximum annual contribution that can be made to an MSA for a year is 65 percent of the deductible under the high deductible plan in the case of individual coverage and 75 percent of the deductible in the case of family coverage. During the four year pilot period, 1997-2000, the number of taxpayers benefiting annually from an MSA contribution is limited to a threshold level (generally 750,000 taxpayers).

Title III increases the health insurance deduction for self-employed individuals from 30% to 80% by the year 2006. Title III also provides for: a medical expense deduction for payment of qualified long-term care insurance premiums and expenses; tax-free accelerated health benefits; and, tax-exempt status to certain State-established high risk insurance pools; tax-exempt status to certain State-established organizations providing workers' compensation reinsurance; certain State-established organizations to be eligible for benefits as Blue Cross/Blue Shield organizations; and penalty free IRS withdrawals for medical expenses that exceed 7.5 percent of the adjusted gross income and for health insurance premiums for unemployed individuals.

Title IV – Application and Enforcement of Group Health Plan Requirements

The Internal Revenue Code of 1986 is amended for enforcement purposes of group health plans requirements.

Title V – Revenue Offsets

These provisions establish new rules for taxing taxpayers who: (1) expatriate, or (2) own corporate owned life insurance, as well as repealing a special interest allocation rule enacted as part of the 1986 Tax Reform Act.

July 29/96
Health

Press Guidance
July 29, 1996

Kennedy-Kassebaum

- The President is hopeful that this can get done as early as this week. Clearly there are a number of issues that conferees must work through including assurance that
  * there are real portability protections,
  * there is serious consideration of the Domenici mental health provision,
  * fraud and abuse provisions are strong and provide law enforcement officials with tools they need to weed out "bad apple" health care providers, and
  * there are adequate protections for consumers.

- Having said that, we are confident these issues can be worked through if parties on both sides are willing to work on reasonable compromises.

Is an agreement on medical savings accounts threatened by potential disagreement between Sen Kennedy and Congressman Archer on specifics?

- They are working out the details of an agreement and we are confident that these issues will be worked through and will not undermine the progress.

How is this proceeding?

- Conferees first met last Friday. There were staff meetings over weekend and we expect they are continuing to do meet over this week. The Administration is providing technical assistance (numbers, policy etc...). We anticipate member meetings as early as tomorrow as a result of continuing staff discussions.

MENTAL HEALTH PROVISION OF KASSEBAUM-KENNEDY
7/26/96

- As you know, an agreement was announced last night on the issue of Medical Savings Accounts. The agreement clears the way for a House-Senate conference on the Kassebaum-Kennedy bill that we understand will begin today.

- However, there are still a number of issues outstanding that need to be resolved in the conference, and the mental health provision is one of them.

- The Administration continues to support the mental health parity provision, and we commend Senators Domenici and Wellstone for their efforts.

- We understand they are working on a potential compromise that seeks to address the concerns of the business community while providing important protections for mental health care. We certainly want to encourage those efforts.

- (Would we veto over it? We expect this issue to be addressed in an appropriate way, and we are more and more hopeful that the President will receive a bill that he can sign.)

Drafted by BToiv x1985
Cleared by CJennings x65560

Health
7-29-96

MENTAL HEALTH PROVISION OF KASSEBAUM-KENNEDY
7/26/96

- As you know, an agreement was announced last night on the issue of Medical Savings Accounts. The agreement clears the way for a House-Senate conference on the Kassebaum-Kennedy bill that we understand will begin today.

- However, there are still a number of issues outstanding that need to be resolved in the conference, and the mental health provision is one of them.

- The Administration continues to support the mental health parity provision, and we commend Senators Domenici and Wellstone for their efforts.

- We understand they are working on a potential compromise that seeks to address the concerns of the business community while providing important protections for mental health care. We certainly want to encourage those efforts.

- (Would we veto over it? We expect this issue to be addressed in an appropriate way, and we are more and more hopeful that the President will receive a bill that he can sign.)

Drafted by BToiv x1985
Cleared by CJennings x65560

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release July 25, 1996

Statement by the President

I am pleased that the Senate has broken the gridlock and appointed conferees to deal with two of my highest priorities to help working families - health care and the minimum wage. I commend the leadership of both parties who have diligently worked to reach this point.

The Kassebaum-Kennedy bill will allow American workers the security of knowing that they will not lose their health coverage if they change their jobs. We now have the opportunity to move forward and enact real health insurance reform this year.

Raising the minimum wage for millions of America's hardest workers is also the right thing to do. Working parents simply cannot support a family on $4.25 an hour.

I urge the conferees to take swift action on these two important measures before the August recess. America's working families deserve nothing less.

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Kassebaum Kennedy
6/24/96

Health 6/25/96

KASSEBAUM-KENNEDY HEALTH INSURANCE BILL -- 6/24/96

Q: Is there a deal on MSAs?

A: We have not come to an agreement, but we are working hard to see if an acceptable compromise can be reached.

Q: What would be an acceptable deal on MSAs?

A: The President has indicated his willingness to work out a compromise on the MSA issue. This is despite the fact that the United States Senate passed the Kassebaum-Kennedy legislation by an 100-0 vote without any MSA provision. However, an acceptable compromise must be within the confines of a true study that has adequate consumer protections and assures that Congress will be given an objective report on this experiment before deciding (through a separate vote) whether or not to expand it to the whole nation. We are working to seek common ground, but it is important to remember that the President has already compromised by agreeing to consider an experiment. He is not, however willing to accept an unconstrained, untested MSA.

Q: What is so wrong with Medical Savings Accounts (MSAs)?

A: The untested MSA proposal passed by the House -- and rejected in the Senate -- would grant a new tax deferred designation to high deductible plans. Because of their design, they could attract only healthy and wealthiest in our society and therefore lead to premium increases for everyone else. **In fact, recent studies by the Urban Institute and the American Academy of Actuaries have concluded that premiums could increase by as much as 60% if MSAs were introduced into the market.** Even though this version of MSA has never even been tested and has such potential to harm the market, many Republicans are insisting that it be applied to the whole nation. The President thinks this is just plain wrong.

Follow-up: But didn't a recent RAND study conclude that MSAs would not have a major adverse risk selection on the insurance market?

A: That wasn't the conclusion reached by the respected American Academy of Actuaries and the Urban Institute. And, in fact, RAND only came to the conclusion they did by assuming design structures not in the Republican MSA proposal.

RAND assumed a much lower catastrophic plan deductible AND also assumed that costs above the deductible would be totally paid by the catastrophic health benefit. In the Republican plan, for example, there are absolutely no protections against the use of lifetime caps and high copayments. These provisions would significantly increase the potential of risk selection problems. **Ironically, the RAND study also concluded that MSAs would not contain costs -- the very reason its advocates cite as why we should them.**

Q: **The Republicans say that they have moderated their position. Why don't you just agree to their compromise and sign the Kassebaum-Kennedy bill into law? Aren't you politicizing this issue to the detriment of millions of Americans?**

A: The President has moderated his initial position against MSAs and has worked in good faith to work out an acceptable compromise to all parties. But he simply will not gamble on an untested, potentially detrimental concept as the price for enacting the underlying Kassebaum-Kennedy legislation, which passed the United Senate by a 100-0 vote WITHOUT MSAs. Having said this, we will continue to work to find an acceptable common ground between the Administration, the Republicans and the Democrats on Capitol Hill.

Q. **Why is the President insisting on capping the population of people who could get MSAs even under the "experiment" the Republicans are currently advocating (limiting the MSAs to small businesses with 100 and less employees and the self-employed)? The Joint Tax Committee and the Treasury Department have very similar projections of users, which are relatively small (around 1 million people), and capping the number of users would be administratively complex if not impossible. Aren't you simply designing something to fail?**

A. There are over 40 million workers and their families who have health insurance who would be eligible for the MSA provision advocated by the Republicans. Many health policy experts believe that the Joint Tax and the Treasury Department projections are unrealistically small. Moreover, it is worth pointing out that both Joint Tax and the Treasury Department had unrealistically low projections for utilization of IRAs when they were first enacted. The risk that much larger numbers of people might opt for MSAs BEFORE we know what these policies could do to the market is simply too great a gamble. That is why we are insisting on a cap of users.

Q: **Many consumer advocates, editorial boards, and Democratic Members of Congress say that the President is too willing to agree to a deal that could undermine the insurance market. How do you respond?**

A: It is simply not true. The President will accept no compromise that he believes has potential to harm the marketplace. That is why he is insisting on a true experiment with appropriate consumer protections before considering expanding this concept nationally.

Q. **Is the President willing to let this legislation die if he doesn't get an acceptable MSA compromise from the Republicans?**

A: The President is an eternal optimist. He strongly believes that the underlying Kassebaum-Kennedy legislation should not be held hostage to the MSA debate. He understands that many Republicans feel strongly about MSAs, which is why he has been willing to work out a compromise. If Republicans do not moderate their position, however, he will urge them to vote on the Kassebaum-Kennedy bill without the MSA provision and not make Americans wait another year for this bill. He feels there is no excuse for Congress to not pass all the other important provisions of this bill, including portability, the elimination of pre-existing condition exclusions, the increase in the self-employed tax deduction, the long-term tax clarification, and the strengthening of our Medicare fraud and abuse enforcement activities.

MENTAL HEALTH PARITY Q & A's

Q. The Republican agreement dropped the Domenici/Wellstone parity amendment, rejected a compromise position proposed by Senator Domenici, and relegated this issue to a study. Do you support this position and would you veto the Kassebaum-Kennedy legislation with only a study?

A. We've always supported moving to mental health parity and we are very disappointed about the reports that even Senator Domenici's compromise position was rejected. As we understand it, Senator Domenici's approach would have limited the parity protections to life time cap provisions in insurance and other health plans. It would have allowed these plans to have differential copayment and deductible structures and, in so doing, would have little or no cost impact on these plans. We think that his proposal is not an unreasonable way to address the business community's concerns and hope that the conference will give it second look.

Follow-up: Would you veto this legislation over the study?

We have a ways to go before we get a final bill and we will continue to be optimistic that the final bill presented to the President will have an improved mental health parity provision. As to vetoing the legislation, the President will do what he always does: he will evaluate the entire bill and its benefits and drawbacks before taking a final position. We have not yet arrived at that point. As we try to address discriminatory practices in the health care system, it is important to note that all mental health advocates strongly endorse the underlying insurance reform provisions in the Kassebaum-Kennedy legislation, particularly limitations on preexisting conditions.

Q. Why do you object to a study on a controversial mental health parity provision when you have, at the same time, been calling for a study on MSAs?

A. We welcome any additional information on complex health issues, including mental health care. However, the difference is the potential negative impact on our health care system. In the case of MSAs, if its critics are anywhere close to being correct, we could see a major segmentation of the market between healthy and sick, and witness very large premium increases (as much as 60 percent) for those who opt to stay in traditional plans. In the case of the Domenici compromise, the worst that could happen would be that premiums could increase by about half a percent.

Chris Jennings
x65560

Health
9/6/96

AMC
MEG, BT

MEMORANDUM

September 6, 1996

TO: Mike McCurry
Mary Ellen Glynn
Lorrie McHugh
Barry Toiv
Interested Parties

FROM: Chris Jennings/Jen Klein

SUBJ: Passage of the 48 hour rule and mental health parity provisions

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Last night, the Senate passed two health care provisions by overwhelming margins that the President actively supported this year -- the 48 hour rule and the Domenici/Wellstone mental health parity compromise. (The 48-hour rule bill was unanimously voted out by voice vote and the mental health parity provision prevailed by a 82 to 15 vote.) Attached you will find explicit references by the President in support of these issues.

The passage of the 48 hour rule should be particularly helpful in refocusing attention on the consumer protection initiatives announced by the President in Florida yesterday, and away from the Advisory Commission. (This is especially the case when combined with the broad-based support of the Advisory Commission -- see attached updated list of supporters and relevant quotes).

We recommend that you talk up the passage of the 48 hour rule. It has already received a positive reference in an AP story that ran last night. (It specifically referenced the President's long-standing support for the measure).

Presidential Statements In Support of the 48 Hour Rule

"I urge members of Congress to move legislation forward as soon as possible that makes this protection for mothers and their children the law of the land. No insurance company should be free to make the final judgment about what is medically best for newborns and their mothers. That decision should be left up to doctors, nurses and mothers themselves."

President Bill Clinton
May 11, 1996

"We should protect mothers and newborn babies from being forced out of the hospital in less than 48 hours."

President Bill Clinton
Democratic National Convention
August 30, 1996

"That's why I'm supporting the legislation I mentioned, dealing with not forcing new mothers and their newborns out of the hospital."

President Bill Clinton
September 5, 1996

(NOTE: The First Lady also endorsed the 48 hour rule in her speech before the Democratic National Convention on August 28, 1996)

Presidential Statements In Support of Mental Health Parity

"I am writing to express the President's strong support for the alternative that has been proposed by Senator Domenici to prohibit health plans from establishing separate lifetime and annual limits for mental health benefits. People with mental illness have faced discrimination in health insurance coverage for far too long, and it is time we take steps to end this inequity..."

Leon Panetta
July 30, 1996

". . . I was disappointed that the mental health provision was taken out, [of the Kennedy/Kassebaum bill] and I certainly hope we can get it as soon as possible in the future. It should remain a high priority."

President Bill Clinton
August 1, 1996

"I wish this bill [Kennedy/Kassebaum] had contained the provision to eliminate the differential treatment of mental health coverage, or at least taken some positive steps in that direction."

President Bill Clinton
August 21, 1996

KEY GROUPS IMMEDIATELY SUPPORTING

THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

(As of September 6, 1996 – 12:00pm)

Health Care Insurers/Managed Care Representatives

American Association of Health Plans (the managed care industry group)
Blue Cross Blue Shield Association
Health Insurance Association of America

Health Care Providers

American Hospital Association
American Nurses Association
American Medical Association
Catholic Health Association
Federation of American Health Systems (the for-profit hospitals)
National Association of Children's Hospitals and Related Institutions

Consumers and Unions

AFL-CIO
AFSCME
Citizen Action
Consortium of Citizens with Disabilities
Consumers Union
Families USA
National Council of Senior Citizens

STATEMENTS SUPPORTING

THE "ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY"

"The American Association of Health Plans applauds President Clinton's leadership in establishing the new commission on health care quality. We are confident the commission, which is designed to examine how the health care system works for patients, will contribute to a better understanding of how health care is delivered as we approach the next century."

-- American Association of Health Plans
(trade organization of managed care plans)

"We welcome the government and industry scrutiny the President has proposed."

-- BlueCross BlueShield Association

"President Clinton's call for the National Commission on Health Care Quality provides an excellent opportunity for policy makers to review the many different types of health care financing arrangements that currently exist in the marketplace ..."

-- Health Insurance Association of America

"We eagerly applaud the formation of the President's new commission to protect patients and guarantee quality care."

-- American Medical Association

". . .the right time for this kind of commission to go to work."

-- American Hospital Association

"The President's decision to examine the entire issue of managed care quality and access should be applauded by every consumer in America."

-- Citizen Action

"We support any effort to identify and rectify problems with our health care system and applaud the President for creating a forum where these problems will be addressed."

-- Consumers Union

ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

I. ADVISORY COMMISSION

The President will sign an Executive Order creating an Advisory Commission on Consumer Protection and Quality in the Health Care Industry to review changes occurring in the health care system and, where appropriate, make recommendations on how best to promote and assure consumer protection and health care quality.

II. PURPOSE

The Advisory Commission will respond to concerns about the rapid changes in the health care financing and delivery system. It will provide a forum for developing a better understanding of the changes in the health system and for making recommendations on how to address the effects of those changes.

III. IMPACT

- The Advisory Commission will provide recommendations that will allow public and private policy makers to define appropriate consumer protection and quality standards.

IV. SPECIFIC PROVISIONS

- The Advisory Commission will be appointed by the President and co-chaired by the Secretaries of HHS and Labor will have a membership of no more than 20 representatives from: health care professions, institutional health care providers, other health care workers, health care insurers, health care purchasers, state government, consumers, and experts in health care quality, financing, and administration. The Vice President will review the final report prior to its being submitted to the President.

- The Advisory Commission will study and, where appropriate, develop recommendations for the President on: (1) consumer protection; (2) quality; and (3) availability of treatment and services in a rapidly changing health care system.

- The Advisory Commission will submit a preliminary report by September 30, 1997 and a final report 18 months from the date of its first meeting.

V. BACKGROUND

The Clinton Administration has a long history of strong support of consumer protection in all health care plans, including the Medicare program. Two such examples are his support of initiatives to assure new mothers and babies have access to necessary hospital care and to protect communications between health professionals and their patients.

Office of the Press Secretary

For Immediate Release September 5, 1996

EXECUTIVE ORDER

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ADVISORY COMMISSION ON CONSUMER PROTECTION
AND QUALITY IN THE HEALTH CARE INDUSTRY

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Advisory Committee Act, as amended (5 U.S.C. App.), it is hereby ordered as follows:

Section 1. Establishment. (a) There is established the Advisory Commission on Consumer Protection and Quality in the Health Care Industry (the "Commission"). The Commission shall be composed of not more than 20 members to be appointed by the President. The members will be consumers, institutional health care providers, health care professionals, other health care workers, health care insurers, health care purchasers, State and local government representatives, and experts in health care quality, financing, and administration.

(b) The Secretary of Health and Human Services and the Secretary of Labor shall serve as Co-Chairs of the Commission. The Co-Chairs shall report through the Vice President to the President.

Sec. 2. Functions. (a) The Commission shall advise the President on changes occurring in the health care system and recommend such measures as may be necessary to promote and assure health care quality and value, and protect consumers and workers in the health care system. In particular, the Commission shall:

(1) Review the available data in the area of consumer information and protections for those enrolled in health care plans and make such recommendations as may be necessary for improvements;

(2) Review existing and planned work that defines, measures, and promotes quality of health care, and help build further consensus on approaches to assure and promote quality of care in a changing delivery system; and

(3) Collect and evaluate data on changes in availability of treatment and services, and make such recommendations as may be necessary for improvements.

(b) For the purpose of carrying out its functions, the Commission may hold hearings, establish subcommittees, and convene and act at such times and places as the Commission may find advisable.

more

Sec. 3. Reports. The Commission shall make a preliminary report to the President by September 30, 1997. A final report shall be submitted to the President 18 months after the Commission's first meeting.

Sec. 4. Administration. (a) To the extent permitted by law, the heads of executive departments and agencies, and independent agencies (collectively "agencies") shall provide the Commission, upon request, with such information as it may require for the purposes of carrying out its functions.

(b) Members of the Commission may receive compensation for their work on the Commission not to exceed the daily rate specified for Level IV of the Executive Schedule (5 U.S.C. 5315). While engaged in the work of the Commission, members appointed from among private citizens of the United States may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service (5 U.S.C. 5701-5707) to the extent funds are available for such purposes.

(c) To the extent permitted by law and subject to the availability of appropriations, the Department of Health and Human Services shall provide the Commission with administrative services, funds, facilities, staff, and other support services necessary for the performance of the Commission's functions. The Secretary of Health and Human Services shall perform the administrative functions of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App.), with respect to the Commission.

Sec. 5. General Provision. The Commission shall terminate 30 days after submitting its final report, but not later than 2 years from the date of this order, unless extended by the President.

WILLIAM J. CLINTON

THE WHITE HOUSE,
September 5, 1996.

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PRESIDENT CLINTON ANNOUNCES ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

Today, President Clinton announced the members of the Advisory Commission on Consumer Protection and Quality in the Health Care Industry. The President called on the Commission to develop a "Consumer Bill of Rights" to promote and assure patient protections and health care quality. The Advisory Commission was created through an Executive Order signed by President Clinton in September, 1996 to build on the Clinton Administration's commitment to improve the quality of the nation's health care system. The 32-member Commission will review rapid changes in the health care financing and delivery systems and make recommendations, where appropriate, on how best to preserve and improve the quality of the nation's health care system.

REPRESENTING BROAD-BASED INTERESTS AND EXPERTISE

Co-chaired by the Secretaries of Health and Human Services and Labor, the Advisory Commission has broad-based representation from consumers, businesses, labor, health care providers, insurers, and quality and financing experts. The Advisory Commission members have vast expertise on a wide range of health issues including the unique challenges facing rural and urban communities, children, women, older Americans, minorities, people with disabilities, mental illness and AIDS. There are also members with extensive backgrounds in privacy rights and ethics. Advisory Commission members come from all parts of the country and reflect America's diverse population.

FOCUSING ON CONSUMER RIGHTS AND QUALITY

The President charged the Commission with developing a "Consumer Bill of Rights" to ensure that patients have adequate appeals and grievance processes. In developing the "Consumer Bill of Rights," the Commission will study and make recommendations on consumer protections, quality, and the availability and treatment of services. Using the best research to measure real outcomes and consumer satisfaction across all providers of health care, the Commission will work to give Americans the tools they need to measure and compare health care quality. It will submit a final report by March 30, 1998. The Vice President will review the final report before it is submitted to the President. In addition, the Advisory Commission will play a consultative role should relevant legislative initiatives move through the Congress prior to the due date of the final report.

BUILDING ON THE ADMINISTRATION'S COMMITMENT TO HEALTH CARE QUALITY

The Clinton Administration has a long history of strong support for consumer protection in health plans, including executive actions and legislative initiatives barring gag rules; limiting physician incentive arrangements; increasing choice and consumer information; and requiring health plans to allow women to stay in the hospital for 48 hours after a mastectomy or after the delivery of a child. The President has called for this Commission to develop a broader understanding of the numerous issues facing a rapidly evolving health care delivery system and to help build consensus on ways to assure and improve quality health care.

PRESIDENT CLINTON ANNOUNCES ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

March 26, 1997

Today, President Clinton will announce the members of the Advisory Commission on Consumer Protection and Quality in the Health Care Industry. The President will call on the Commission to develop a "Consumer Bill of Rights" to promote and assure patient protections and health care quality. The Advisory Commission was created through an Executive Order signed by President Clinton in September, 1996 to build on the Clinton Administration's commitment to improve the quality of the nation's health care system.

The 32-member Commission will review rapid changes in the health care financing and delivery systems and make recommendations, where appropriate, on how best to preserve and improve the quality of the nation's health care system. The purpose of the Commission is to advise the President on how unprecedented changes in the health care delivery system are affecting quality, consumer protection and the availability of needed services. Through a series of public meetings, it will collect and evaluate information and develop recommendations on improving quality in the health care system. The Commission will be co-chaired by the Secretary of Health and Human Services and the Secretary of Labor.

Acting Labor Secretary Cynthia Metzler will make opening remarks. Secretary Shalala will then make remarks and introduce the President.

Attached is a fact sheet on the Commission and brief bios on the members. In addition to those members named today, three additional individuals selected to serve on the Commission are expected to be named shortly.

THE ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

REPRESENTING BROAD-BASED INTERESTS AND EXPERTISE

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MEMBERS OF THE ADVISORY COMMISSION ON CONSUMER PROTECTION AND QUALITY IN THE HEALTH CARE INDUSTRY

DONALD BERWICK of Newton, Massachusetts is President and Chief Executive Officer of the Institute for Healthcare Improvement. Dr. Berwick is also an Associate Clinical Professor of Pediatrics at Harvard Medical School and an Adjunct Associate Professor of Management at the Harvard School of Public Health. An expert on children's health care, Dr. Berwick has practiced medicine as a pediatrician continuously since 1976. He has extensive experience on quality issues, and served as a member of the Panel of Judges for the Malcolm Baldrige National Quality Award of the U.S. Department of Commerce. He has also served on the Committee on the Future of the Patient Record at the Institute of Medicine, was Vice Chair of the U.S. Preventive Services Task Force at the Department of Health and Human Services, and currently is the Chair of the Health Services Research Review Sub-Committee of the U.S. Agency for Health Care Policy and Research. He is a graduate of Harvard College, and the John F. Kennedy School of Government at Harvard University, and Harvard Medical School.

CHRISTINE K. CASSEL of New York City, New York currently serves as Chairman of the Henry L. Schwarz Department of Geriatrics and Adult Development at Mt. Sinai Medical Center. She joined Mount Sinai in 1995 after ten years as Chief of General Internal Medicine at the University of Chicago. A renowned expert on aging issues, she is well aware of the special needs of the elderly population and the particular challenge presented by new health care delivery systems. She has been actively studying demographic and epidemiologic forecasting, and the care of patients at the end of life. She also has an extensive background in medical ethics. In 1992, she was elected to membership at the Institute of Medicine of the National Academy of Sciences. She is the immediate past President of the American College of Physicians, a member of the Board of Directors of the American Board of Internal Medicine, and a Trustee of the Greenwall Foundation. Dr. Cassel received a B.A. at the University of Chicago and an M.D. from the University of Massachusetts.

JAMES CHAO of Naperville, Illinois is the President of Metro Provider Service Corporation. The Corporation provides a variety of services to the health care industry, including the provision of health care services and the development of communications systems between providers. Mr. Chao has over 15 years of experience working with health care organizations, and has served as a health care consultant, focusing on issues of health care reimbursement and hospital financing. Mr. Chao was Financial Officer for Columbia Cabrini Medical Center in Chicago, where he was responsible for the finances of a three hospital system. Mr. Chao received a B.S. from the University of Illinois at Chicago.

ROBERT GEORGINE of Silver Spring, Maryland is the President of the Building and Construction Trades Department of the AFL-CIO. He is also Chairman and CEO of the Union Labor Life Insurance Company, which offers managed care products and services, including managed pharmacy programs, provider networks, traditional health indemnity insurance, and alternative funding arrangements to manage trust fund risk to jointly managed trust funds, labor unions, and organized employers. Mr. Georgine serves on the Boards of the American Council of Life Insurance, the Gas Research Institute, and the Committee for National Health Insurance. Mr. Georgine has worked extensively on disability issues; he is a member of the President's Committee on Employment of People with Disabilities, was formerly a member on the White House Conference on Handicapped Individuals and served on the Department of Labor's ERISA Advisory Council. In addition, Mr. Georgine served on the President's Drug Advisory Council

S. DIANE GRAHAM of Paradise Valley, Arizona is the Chairman and CEO of STRATCO, Inc., a mechanical and chemical engineering firm whose alkylation and grease technologies have been licensed in over thirty countries. As the chief executive of a small company, Ms. Graham is well aware of the difficulties small businesses encounter in trying to offer accessible and affordable health care services to its employees. In 1987, she was invited to join the prestigious "Committee of 200," a national organization of leading women entrepreneurs and business owners. Ms. Graham has served on the boards of over twenty non-profit organizations. She received a Bachelor's degree from Culver-Stockton College in Canton, Missouri.

VAL J. HALAMANDARIS of the District of Columbia currently serves as the President of the National Association of Home Care (NAHC). Under his leadership, NAHC has expanded its membership more than ten-fold. Mr. Halamandaris served for five years as Counsel to Representative Claude Pepper's House Select Committee on Aging and for fifteen years as Counsel to Senator Frank E. Moss and the U.S. Senate Special Committee on Aging. In 1987, Mr. Halamandaris founded the Center for Health Care Law, a public interest law firm advocating the rights of the elderly, the disabled, and chronically ill children. He is editor and publisher of two national magazines, *CARING* and *Caring People*, and has also published several books on aging and home care. Through his work, he has addressed the special needs of elderly citizens and the particular challenges presented by new health care delivery systems. Mr. Halamandaris received his B.A. degree from George Washington University and his J.D. from Catholic University of America School of Law.

SANDRA HERNÁNDEZ of San Francisco, California currently serves as Director of Health for the City and County of San Francisco in the San Francisco Department of Health. As the first Latina to head San Francisco's health department, Dr. Hernández leads the city's homeless services initiatives, which are the model for cities across the nation. In addition, she implemented one of the first Medicaid managed care programs in a major metropolitan area. Dr. Hernández has served on the National Hispanic Women's Health Initiative Steering Committee, the Breast and Cervical Cancer Prevention Committee, and the FDA Anti-Infective Drugs and Antiviral Drugs Advisory Committee. Dr. Hernández received her Bachelor's degree from Yale University and her M.D. from the Tufts University School of Medicine.

NAN HUNTER of New York, New York is an Associate Professor of Law at Brooklyn Law School, where she teaches Health Law. From 1993-1996, she served as Deputy General Counsel at the U.S. Department of Health and Human Services, where she worked on numerous health care issues including consumer protection rights, civil rights, and medical records confidentiality, and also assisted in the development of management policy. She is also the former Director of the AIDS Project and Lesbian and Gay Rights Project for the ACLU, where she directed national ACLU policy and litigation projects concerning health care issues. Ms. Hunter has published extensively on health care issues, including AIDS, privacy, and civil rights. Ms. Hunter received a B.A. from Northwestern University and a J.D. from Georgetown University Law Center.

SYLVIA DREW IVIE of Los Angeles, California currently serves as the Executive Director of T.H.E. Clinic for Women in Los Angeles, a primary health care clinic offering prenatal care, pediatrics, and clinical care for women with AIDS. Previously, she served as the Executive Director for the National Health Law Program in Los Angeles, where she worked extensively on maternal and child health issues as well as access issues for low-income populations. Ms Ivie is a past member of the California Health Facilities Commission and served on the Board of Directors of the Medicare Advocacy Project. She won the prestigious Mandela Award. Ms. Ivie earned an A.B. from Vassar College and a J.D. from Howard Law School.

RISA J. LAVIZZO-MOUREY of Philadelphia, Pennsylvania is the Director for the Institute of Aging, Chief of the Division of Geriatric Medicine, Associate Executive Vice President for Health Policy, and the Sylvan Eisman Associate Professor of Medicine and Health Care Systems at the University of Pennsylvania. As an expert on aging issues, she is well aware of the particular challenges faced by elderly citizens. Dr. Lavizzo-Mourey has served on numerous Federal advisory committees, including the White House Task Force on Health Care Reform, the Task Force on Aging Research, the Office of Technology Assessment Panel on Preventive Services for Medicare Beneficiaries, the Institute of Medicine's Panel on Disease and Disability Prevention Among Older Adults, and the National Committee for Vital and Health Statistics. She is a member of the American College of Physicians. Dr. Lavizzo-Mourey earned an M.D. from Harvard Medical School and an M.B.A. from the Wharton School at the University of Pennsylvania.

SHEILA LEATHERMAN of Minneapolis, Minnesota is Executive Vice President of the United Health Care Corporation, which provides a broad range of health care services to purchasers, consumers, managers and providers of health care since 1974. She is the Founder of the Center for Health Care Policy and Evaluation, which evaluates the performance of health care delivery systems in the areas of quality, cost, and accessability. Ms. Leatherman currently serves on the Advisory Committee of the International Society for Quality of Care, the National Committee on Vital and Health Statistics, the Health Advisory Board of the Institute of Medicine, and is a Senior Fellow at the Institute of Health Services Research of the School of Public Health at the University of Minnesota. Ms. Leatherman earned a B.A. degree from Tulane University and a Master's degree from the University of Arkansas.

L. BEN LYTLE, of Indianapolis, Indiana is President and CEO of Anthem, Inc., one of the largest health care management companies in the country. Anthem offers indemnity, integrated health care networks, workers' compensation, life insurance, and managed care products in all 50 states. He is a Director of several companies, including CID Venture Partners, IPALCO Enterprises, and Indianapolis Power & Light Company. Mr. Lytle is a graduate of East Texas State University and the Indiana University School of Law.

BEVERLY MALONE of Greensboro, North Carolina is the President of the American Nurses Association. Additionally, Dr. Malone is Dean and Professor of the School of Nursing at North Carolina Agricultural and Technical State University. A licensed clinical psychologist, Dr. Malone also maintains a small individual, group and family therapy practice. She has served on the Governor's Task Force on the Nursing Shortage, North Carolina Commission on Health Services, the Board of Trustees of the Moses Cone Health System, and the Board of Directors of the Adolescent Pregnancy Prevention Program. Dr. Malone received a B.S.N. in Nursing from the University of Cincinnati, an M.S.N. from Rutgers the State University, and a Ph.D. from the University of Cincinnati.

GERALD MCENTEE of the District of Columbia is the President of the Association of Federal, State, County and Municipal Employees (AFSCME). Mr. McEntee is a Vice President of the AFL-CIO and a member of its Executive Council. He serves on the board of the Alliance to Reinvent Government, the Health Care Reform Project, the Child Care Action Campaign, and is a member of the National Commission on Children. Mr. McEntee is co-founder and Chairman of the Board of the Economic Policy Institute. He received a B.A. from LaSalle University in Philadelphia.

PAUL MONTRONE, of Hampton Falls, New Hampshire is the President and CEO of Fisher Scientific International, Inc, a leading provider of products and services to scientific and health care research facilities. As a chief executive in the biomedical and health care industry, Mr. Montrone is aware of the health care concerns facing business leaders today. He is a director of the General Chemical Group, Inc., and WMX Technologies. He also serves on the boards of several non-profits institutions, including the National Foundation for Biomedical Research, and the Jackson Laboratory. Mr. Montrone is a graduate of the University of Scranton and holds a Ph.D. from Columbia University.

PHILLIP NUDELMAN of Seattle, Washington is the President and CEO of Group Health Cooperative of Puget Sound, a non-profit managed health care delivery system, which is the nation's largest consumer-governed healthcare organization. Dr. Nudelman served on the White House Task Force on Healthcare Reform and is a member of the board and current Chair-elect of the American Association of Health Plans. He serves on the board of directors for SpaceLabs Medical, Inc., Cell Therapeutics, Inc., and Advanced Technology Laboratories. Dr. Nudelman holds a Doctorate in Health Systems Management.

HERBERT PARDES of New York, New York is the Vice President for Health Sciences and Dean of the Faculty of Medicine at the Columbia University College of Physicians and Surgeons, where he oversees the College of Physicians and Surgeons, the School of Public Health, the School of Nursing, and the School of Dental and Oral Surgery. As an expert on medical schools and teaching colleges, he has developed major changes in the education of physicians, and assumed a national role as an advocate for education, health reimbursement, and support of biomedical research. He is the immediate past chair of the Association of American Medical Colleges. During the Carter Administration, Dr. Pardes was Director of the National Institute of Mental Health. From 1989 to 1990, he served as President of the American Psychiatric Association. He is President of the Scientific Board of the National Alliance for Research on Schizophrenia and Depression, and is a member of the National Depressive and Manic Depressive Association. Mr. Pardes received a B.S. from Rutgers University and an M.D. from the State University of New York.

RON POLLACK of Alexandria, Virginia, a long-time advocate for low income Americans, currently serves as the Executive Director of Families USA, a national consumer organization dedicated to high-quality, affordable health care. Mr. Pollack has recently issued a report on managed care that raises significant quality concerns and argues for increased consumer protection. Mr. Pollack is a founding Board Member of The Long Term Care Campaign, Americans for Health, and was also a founding member of the National Academy of Social Insurance. Mr. Pollack received a B.A. degree from Queens College and a J.D. from New York University School of Law.

MARTA PRADO of Hollywood, Florida is the Senior Vice President of InPhyNet Medical Management and Chief Operating Officer of InPhyNet's Managed Care and Corrections Divisions. Ms. Prado was previously administrator and CEO at Miami General Hospital. A registered nurse, she is former President of the Emergency Nurses Association and was the Legislative Chairperson of the Florida Nurses Association. She is a member of the Board of Directors of the Child Care Connection, and formerly served as a member of the Public Policy Committee on Aging and the Medicaid Reform Task Force. Ms. Prado graduated from the Jackson Memorial Hospital School of Nursing and the University of Miami Nurse Practitioner Program.

ROBERT RAY of Des Moines, Iowa is a former Governor of Iowa, and serves as Co-Chair of the National Leadership Coalition on Health Care. Mr. Ray is an expert on rural health issues and serves as Chair of the National Advisory Committee on Rural Health. As Governor, from 1969-1983, Mr. Ray established the Governors Commission on Health Care Costs. He retired in August 1996 as President and CEO of IASD Health Services Corporation. Mr. Ray has also served as Chairman of the National Governors' Association. He received both his undergraduate and J.D. degree from Drake University.

THOMAS REARDON of Boring, Oregon is the Medical Director of the Portland Adventist Medical Group. Dr. Reardon is a Trustee and Vice Chair of the American Medical Association. He is a member of the Board of Directors on the National Committee for Quality Assurance, a former Commissioner of the Physician Payment Review Commission and of the Joint Commission on Accreditation of Healthcare Organizations. Dr. Reardon earned a B.S. degree from Colorado State University and an M.D. from the University of Colorado.

KATHLEEN SEBELIUS of Topeka, Kansas currently serves as the Insurance Commissioner for the State of Kansas and as Vice Chair of the Health Committee of the National Association of Insurance Commissioners. Previously, she served as a Member of the Kansas House of Representatives. Her efforts as Insurance Commissioner have resulted in new laws in Kansas, including a bill mandating a 48 hour minimum stay for mothers and newborns in the hospital, prohibition of an insurance deductible for payments of childhood immunizations, and extended portability for widows and divorcees in health care plans. Ms. Sebelius earned a Bachelor's degree from Trinity College and a Masters in Public Administration from Kansas University.

STEVEN S. SHARFSTEIN of Baltimore, Maryland one of the nation's leaders in mental health, is President, Medical Director and CEO of Sheppard Pratt, a non-profit behavioral health system. Dr. Sharfstein is Clinical Professor at the University of Maryland and a Professorial Lecturer in Psychiatry at Georgetown University School of Medicine and at Johns Hopkins University. He is a member of many professional associations, including the American Psychiatric Association, the American College of Psychiatrists, the American Medical Association, and the Southern Psychiatric Association. Dr. Sharfstein received a B.A. from Dartmouth College, an M.D. from the Albert Einstein College of Medicine, and an M.P.A. from the John F. Kennedy School of Government at Harvard University.

PETER THOMAS of the District of Columbia is a principal in the law firm of Powers, Pylers, Sutter & Verville, P.C. Mr. Thomas has a federal law and legislative practice in the areas of health care reform, managed care, reimbursement policy, Medicare and Medicaid, and rehabilitation research appropriations. Mr. Thomas has personal experience with physical disability, and serves as Co-Chair of the Health Task Force of the Consortium for Citizens with Disabilities (CCD), a Washington-based coalition of over 100 national disability-related organizations. Mr. Thomas has served on the National Advisory Board on Medical Rehabilitation Research at the National Institutes of Health and has co-authored an employment guidebook on the Americans with Disabilities Act of 1990. Mr. Thomas received a B.A. degree from Boston College and a J.D. from Georgetown University Law Center.

MARY WAKEFIELD of McLean, Virginia currently serves as the Director and Professor of the Center for Health Policy at George Mason University. From 1993 to 1996, Ms. Wakefield was Chief of Staff to Senator Kent Conrad. As Chief of Staff, she analyzed the impact of legislation on health care and advised the Senator on health-related issues. A registered nurse, she previously served as Co-Chair of the Senate Rural Health Caucus staff organization while serving as Administrative Assistant to Senator Quentin Burdick. A native of North Dakota, Ms. Wakefield earned a B.S.N. from the University of Mary, in Bismarck, as well as an M.S.N. and Ph.D. from the University of Texas.

GAIL WARDEN of Detroit, Michigan currently serves as President and CEO of the Henry Ford Health Systems, one of the nation's leading vertically integrated health care systems and premier academic medical centers. At Henry Ford, he has spearheaded affiliations to optimize the health care services and insurance programs delivered to Detroit area residents. Mr. Warden is the past Chairman of the National Committee for Quality Assurance. He serves on the Governing Council of the Institute of Medicine of the National Academy of Sciences, is a member of the Board of the Robert Wood Johnson Foundation He is also Vice Chairman of The Hospital Research and Educational Trust, and chairs the Department of Veterans Affairs Associated Health Professions Review Committee. Mr. Warden is a graduate of Dartmouth College and earned a Master's in health care management from the University of Michigan.

ALAN WEIL of Denver, Colorado currently is co-director of the Assessing the New Federalism Project at the Urban Institute. This project, the largest in the Institute's 29 year history, will monitor and assess the effects of welfare reform and health care reform around the country. Mr. Weil has previously served as the Executive Director of the Colorado Department of Health Care Policy and Financing, where he was responsible for Medicaid and other medically indigent programs, health data collection and analysis function, health policy development, and health care reform. Mr. Weil's accomplishments include implementation of a mandatory electronic claims submission system for Medicaid, and implementation of an innovative risk-adjustment system for setting Medicaid HMO rates. Mr. Weil received a B.A. from the University of California at Berkeley, a Master's in Public Policy from the John F. Kennedy School of Government at Harvard University, and a J.D., *cum laude*, from Harvard Law School.

SHELDON WEINHAUS of St. Louis, Missouri, is an attorney who has worked extensively representing workers in health care litigation. His practice focuses on health benefit and disability claims of patients covered under employer provided group benefit plans. He has devised claims processing and litigation strategies and theories to obtain judicial reversals of coverage denials for life saving and cutting-edge medical procedures, such as double lung transplants and high dose chemotherapy. Mr. Weinhaus serves on the Board of Directors of the Patient Advocate Foundation, was on the Missouri Task Force for Breast Cancer Coverage, and is a member of the National Health Lawyers Association and the National Employment Lawyers Association. Mr. Weinhaus earned a Bachelor's degree from the University of Arizona, and a J.D. degree from the Washington University School of Law.

STEPHEN F. WIGGINS of Darien, Connecticut, is the Founder, Chairman and CEO of Oxford Health Plans, Inc. Oxford owns and operates health maintenance organizations and insurance companies in New York, New Jersey, Pennsylvania, New Hampshire and Connecticut. Prior to his tenure at Oxford, he formed Accessible Space, Inc., in 1979, a non-profit health care company which develops and operates residential facilities for the mobility impaired and brain injured; Mr. Wiggins has continued to serve as a Board member since its founding. Mr. Wiggins received a B.A. from Macalester College and an M.B.A. from Harvard University.

The President also announced today that Janet Corrigan, of Maryland, will serve as the Executive Director of the Advisory Commission on Consumer Quality and Protection in the Health Care Industry.

Janet Corrigan of Columbia, Maryland, will be the Executive Director of the Advisory Commission on Consumer Quality and Protection in the Health Care Industry. She currently is a principal researcher at the Center for Studying Health System Change. The Center monitors and assesses the evolution of the health care industry and its impact on local health care markets, and consumer satisfaction, access and the utilization of health services. She has also served as Vice President for Planning and Development at the National Committee for Quality Assurance, where she was responsible for the development of a standard set of performance measures, a $2.1 million Report Card Pilot Project, and oversight of state projects involving quality measurement and health plan accountability. Dr. Corrigan received a B.A. from Syracuse University, an M.B.A. from the University of Rochester, an M.P.H. from the University of Rochester Medical Center, a Masters of Industrial & Operations Engineering from the University of Michigan, and a Ph.D. in Health Services Organization & Policy from the University of Michigan.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. fax	Andrew Weinstein to White House Press Office; RE: Medical questions (1 page)	08/21/1996	b(6)

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12-3-96
Health

World AIDS Day
December 2, 1996

The President will meet tomorrow with leading scientists to be briefed on latest developments in AIDS research and the plans for the coming year. *

Who will he meet with?
Secretary Shalala; NIH Director Harold Varmus; Dr. William Paul, Director, Office of AIDS Research, NIH; Dr. Anthony Fauci, Director of the National Institute for Allergy and Infectious Diseases, NIH; Patsy Fleming, Director of the Office of AIDS Policy

What has the President done to commemorate World AIDS Week?
Last Wednesday, the President issued a World AIDS Day proclamation, in which he discussed the seriousness of the disease and urged further research on it. He also sent a letter to religious leaders throughout the country, asking them to speak out about the disease to their congregations this weekend.

Overall funding for AIDS-related programs has risen by 55% in the first four years of the Administration. In December,1995, President Clinton convened the first-ever White House Conferecne on HIV and AIDS. The FDA has approved 16 new AIDS drugs in the last four years and has accelerated approval to record times.

funding for AIDS related programs + 55%
$3.2 Billion FY 97
HHS. up 53% from FY 93

See attached talking points.

Drafted: MEGlynn
Cleared: RSorian, AIDS policy

HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

December 1, 1996

Contact: HHS Press Office
(202) 690-6343

THE CLINTON ADMINISTRATION RECORD ON HIV/AIDS

"Our common goal must ultimately be a cure, a cure for all those who are living with HIV, and a vaccine to protect all the rest of us from the virus. A cure and a vaccine, that must be our first and top priority."

-- President Clinton

Overview: AIDS is the leading cause of death among Americans between the ages of 25 and 44, accounting for more than 40,000 deaths each year. An estimated 650,000 to 900,000 Americans are believed to be living with HIV, the virus that causes AIDS. Since the AIDS epidemic began in 1981, more than 500,000 Americans have been diagnosed with AIDS and more than 300,000 men, women, and children have lost their lives to this disease.

The Clinton Administration has responded aggressively to the significant threat posed by HIV/AIDS with increased attention to research, prevention, and treatment. Overall funding for AIDS-related programs has risen by 55 percent in the first four years of the Clinton Administration, with funding for AIDS care under the Ryan White CARE Act increasing by 158 percent and assistance for the purchase of AIDS drugs nearly tripling.

At the same time, the Administration has sharpened the focus of its AIDS programs by strengthening the Office of AIDS Research at the National Institutes of Health, creating a new Center for HIV/STD/TB Prevention at the Centers for Disease Control and Prevention, and establishing a new Office of National AIDS Policy at the White House. And in December of 1995, President Clinton convened the first-ever White House Conference on HIV and AIDS, bringing more than 300 experts, activists, and citizens to the White House for a full day of discussions of key issues.

In October, HHS reported that in 1995, for the first time since the epidemic took hold, the HIV/AIDS death rate did not increase from the previous year and in November, the Centers for Disease Control and Prevention reported a sharp decline in the number of infants born HIV-infected.

HHS Spending on HIV/AIDS

In the four budgets approved under President Clinton, spending for AIDS research, prevention, and treatment increased by 55 percent. These increases include:

Program	FY93	FY97	FY93-97 Change
	(in thousands)		
National Institutes of Health	$1,071,457	$1,501,720	+40%
Centers for Disease Control & Prevention	$ 498,263	$ 618,081	+24%
Health Resources & Services Administration	$ 385,345	$ 996,252	+173%

Note: Altogether, discretionary AIDS-related spending by HHS in FY1997 will total $3.2 billion, an increase of 55 percent from FY1993. An additional $2.8 billion is expected to be expended in FY1997 for AIDS care under Medicare and Medicaid. It is estimated that more than 50 percent of Americans living with AIDS rely on Medicaid for their health care coverage.

ADMINISTRATION INITIATIVES ON HIV/AIDS

Under President Clinton, a wide array of initiatives have been undertaken including:

AIDS Policy. The President created the Office of National AIDS Policy within the White House to advise him on AIDS policy issues and coordinate interdepartmental activities.

AIDS Conference. On December 6, 1995, the President convened the first White House Conference on HIV and AIDS in the history of the epidemic. Nearly 300 people from 37 states, the District of Columbia, and Puerto Rico participated.

Advisory Council. The President created the Presidential Advisory Council on HIV and AIDS to provide him and his Administration with expert outside advice on the ways in which the Federal government should respond to the HIV/AIDS epidemic.

Disability Eligibility. The Social Security Administration published revised regulations expanding the list of health manifestations that will be considered in determining eligibility due to HIV/AIDS for Social Security and Supplemental Security Income disability benefits.

Drug Approval. The FDA has approved 16 new AIDS drugs in the last four years and accelerated approval to record times. Included in those approvals are a new class of drugs known as protease inhibitors, which show tremendous promise in the treatment of HIV disease.

Housing. The Department of Housing and Urban Development has established the National Office of HIV/AIDS Housing to assist people with HIV/AIDS to pay for housing. Funding for the Housing Opportunities for People with AIDS program has increased by 96 percent. HUD and HHS have launched collaborative efforts to combine housing assistance and medical and social services for people living with HIV/AIDS.

Mental Health. The Substance Abuse and Mental Health Administration awarded the first Federal grants to develop mental health services for persons living with HIV/AIDS and their families and partners.

Perinatal Transmission. Following the release of research findings from an NIH-sponsored AIDS clinical trial that indicated that use of AZT by HIV-infected pregnant women dramatically reduced the rate of HIV transmission from mother to infant, the U.S. Public Health Service issued guidelines recommending routine counseling and voluntary HIV testing for all pregnant women.

Prevention. The Centers for Disease Control and Prevention (CDC) launched the Prevention Marketing Initiative aimed at young adults (ages 18-25) to change behaviors that contribute to the transmission of HIV. The initiative features production of public service announcements promoting both sexual abstinence and the consistent and correct use of latex condoms. A new community planning process gives local communities more authority over the shape and direction of AIDS prevention efforts.

Research. In one of his first acts in office, President Clinton signed the National Institutes of Health Revitalization Act of 1993, placing full responsibility for planning, budgeting, and evaluation of the AIDS research program at NIH in the Office of AIDS Research. The President requested and received the first federal plan for biomedical research on AIDS.

Ryan White CARE Act. Funding for the CARE Act has increased by 158 percent and on May 20, 1996, President Clinton signed a five-year reauthorization of this program, guaranteeing assistance until the year 2001. Funding for AIDS drug assistance has increased by 221 percent.

Water Safety. The CDC and the Environmental Protection Agency issued guidelines recommending steps to purify drinking water to protect vulnerable populations against Cryptosporidium, which can be fatal to those with compromised immune systems.

Youth. The Office of National AIDS Policy issued a report to the President on the rising rates of HIV transmission among adolescents. The report noted that an average of at least one American teenager becomes infected with HIV every hour of every day and recommended steps to increase youth involvement in AIDS prevention, care, and research efforts.

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THE WHITE HOUSE

WASHINGTON

December 2, 1996

MEMORANDUM TO THE PRESIDENT

From: Carol H. Rasco
Patricia S. Fleming

SUBJECT: Background Information on AIDS

This memo provides the latest information on the AIDS epidemic and the key aspects of the Federal response.

I. State of the Epidemic

As of September 30, 1996, there were 566,002 reported AIDS cases and over 343,000 deaths. AIDS is now the leading cause of death among Americans aged 25 to 44. CDC estimates that between 40,000 and 60,000 Americans are becoming newly infected with HIV each year, and that between 650,000 and 900,000 Americans are currently living with HIV.

The highest rates of increase in new AIDS cases are among adolescents, injecting drug users, women, and people of color. CDC estimates that one-quarter of new HIV infections in the U.S. occur among young people under age 21. CDC also estimates that more than 36 percent of new AIDS cases are associated with injection drug use. Women now comprise 14 percent of cumulatively reported AIDS cases. As of December 1995, African-Americans and Hispanics comprised 52 percent of cumulative AIDS cases.

The HIV epidemic continues to spread into suburban and rural areas, with dramatic increases in certain regions of the South and Midwest. While most cases are still reported from urban areas, the rate of reported cases in non-metropolitan areas is increasing more rapidly than in urban areas.

The U.S. epidemic is part of a global pandemic. Globally, the toll of the epidemic is much greater and threatens to reverse decades of economic and public health progress in developing countries. The World Health Organization estimates that 27.9 million people have been infected with HIV.

II. The Federal Response

Your Administration has been credited with making tremendous progress in the fight against AIDS. Progress since you took office includes:

- A 40 percent increase in NIH-supported AIDS research.
- A 158 percent increase in Ryan White AIDS Treatment grants.
- A 24 percent increase in CDC HIV prevention activities.
- A 96 percent increase for HUD's Housing Opportunities for People with AIDS program.
- Strengthening the Office of AIDS Research at the National Institutes of Health.
- As a result of Public Health Service guidelines recommending the use of AZT by HIV-positive pregnant women and their newborns, a 17 percent drop in the number of infants with perinatally-acquired HIV infection (from 1994 to 1995).
- Responding rapidly to FDA approval of a new class of AIDS therapies called protease inhibitors with increases in funding for State AIDS Drug Assistance Programs.
- Easing of Social Security disability rules to speed approval of eligibility.
- Creating the Office of National AIDS Policy at the White House and the Presidential Advisory Council on HIV/AIDS.

III. Research Developments & Opportunities for Progress

A. THERAPEUTICS

Implications of Viral Levels

NIH-sponsored research indicates that decreasing the amount of HIV in the blood can significantly slow how quickly a person becomes ill, and can also decrease the chance of transmission from mother to child. This finding has tremendous implications for therapy. Studies indicate that combination therapy (i.e., use of one or more anti-retroviral drugs), especially where a protease inhibitor (the newest class of anti-retroviral drugs) is used, provides the greatest benefit for the patients. However, this approach is new and we still do not know the best time to start therapy, to stop therapy, to change therapy, and how long these effects will last. More research is needed.

Discovery of New Receptors
The breakthrough discovery of new chemokine receptors (CCR5 and CXCR4 or fusin are receptors on the cell where HIV binds) has offered exciting new avenues for drug and vaccine development. Research indicates that people who have defective or missing receptors are much more resistant to becoming infected.

B. PREVENTION

In response to the recommendations from the Report of the NIH AIDS Research Program Evaluation Task Force, NIH is developing a comprehensive HIV prevention science agenda. Areas of focus will include:

Vaccines. We desperately need a vaccine that will control new infections both in the U.S. and abroad. New generations of vaccines, including DNA vaccines, are now in early development. Research efforts in the HIV vaccine arena will have important implications for developing vaccines for other diseases such as Tuberculosis.

Other Prevention Efforts. Preventing HIV infection through behavioral modification and/or a microbicide (a mechanical or chemical barrier method that blocks infection) also offers tremendous hope. Secretary Shalala has promised $100 million over the next four years for microbicide research and development.

IV. Role of the Vice President

The Vice President has been intimately involved in developing the Forum for Collaborative HIV Research. This new public–private group is designed to catalyze collaborations among government researchers, pharmaceutical companies, third–party payors, and the community to capitalize on recent scientific advances and learn how to optimally use available treatment regimens.

The Vice President also has expressed interest in continuing efforts to expedite vaccine and microbicide research.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003a. memo	E. Connie Mariano to Mike McCurry; RE: Summary of Medical History (4 pages)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

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Health

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003b. memo	Department of the Navy to Director, White House Medical Unit; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003c. letter	Talal M. Nsouli, M.D. to E. Connie Mariano; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
db4232

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003d. memo	Chief of Cardiology to Dr. Mariano; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
db4232

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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003e. memo	Staff Dermatologist to Director, White House Medical Unit; RE: President Clinton's annual medical exam (1 page)	00/00/0000	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
db4232

RESTRICTION CODES

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003f. memo	Deputy Commander, National Naval Medical Center to Dr. Mariano; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
db4232

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003g. memo	Chairman, Department of Orthopaedic Surgery to Director, White House Medical Unit; RE:President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
db4232

RESTRICTION CODES

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003h. memo	Cammander Scott Haney to Director, White House Medical Unit; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003i. memo	Department of Otolaryngology to Whom It May Concern; RE: President Clinton's annual medical exam (1 page)	09/13/1996	b(6)

COLLECTION:
Clinton Presidential Records
Press Secretary
Mike McCurry
OA/Box Number: 11102

FOLDER TITLE:
Health

2011-0586-F
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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **May 24, 1996**

Statement by the Press Secretary

President Clinton underwent his third annual physical examination today at Bethesda Naval Hospital. His routine evaluation was conducted by a team of military and civilian physicians, headed by his physician, Dr. E. Connie Mariano, a Navy internist.

"We are very satisfied with the results of this year's physical examination. The President is in excellent overall health. We recommend he continue to watch his diet and follow his exercise regimen," said Dr. Mariano.

The President was evaluated by a team of specialists which included sports medicine, podiatry, ear, nose and throat, and dermatology. He received a liquid nitrogen treatment to an actinic keratosis found on the tip of his nose. In addition, he underwent an eye examination, a urology check-up, and an exercise treadmill test. On his annual treadmill test, the President exceeded his performance from last year completing more than 15 minutes on the treadmill and reaching a speed of 5.5 m.p.h. at a 20% grade (Bruce Protocol).

The President, who will turn 50 in August, weighed in at the same weight of 216 lbs. on his 6' 2" frame. His total cholesterol dropped from 203 last year to 191 this year. His pulse was recorded at 55 with a blood pressure of 126/70.

-30-30-30-

title health care

NATIONAL POLLS

The American Cancer Society commissioned Penn & Schoen Associates to do 2 polls, the first poll was conducted on November 20th, among 1996 Presidential election voters throughout the U.S. The second was one month later, as a follow-up to the first poll, asking more specific questions about how the public would spend the increased revenue, if the tobacco tax was raised.

The key points to make from the polls are:

From the first poll:

- Seventy-three percent (73%) of the public supports raising revenue from federal tobacco excise taxes to pay for health care for all children who need it.

- Fifty-nine percent (59%) of the public said they are not likely to support a political candidate in future elections who accepts money from the tobacco industry.

From the second poll:

- Two-thirds of Americans want Congress to do something about health care coverage for the uninsured.

- If the tobacco tax were to be raised, eighty-seven percent (87%) of the American public would support using the revenue to expand health care services for children.

- Eighty-four percent (84%) of the American public supports the use of the excise tax revenue to pay for vouchers to purchase health insurance for children who are not insured.

- Eighty-five percent (85%) of the American public indicated that they want to make health care more affordable.

- When forced to chose between various options for spending the additional excise tax revenue, 55% of the American public supported using tobacco excise taxes for children's health initiatives -- the highest percentage of any option. After children's health, public education was supported by 20% of the public, and biomedical research was supported by 17%.

NEWS SERVICES

AMERICAN CANCER SOCIETY®

EMBARGOED FOR
RELEASE UNTIL 8:30 a.m.
JANUARY 28, 1997

Contact: Shelley Buckingham
202-546-4011 ext. 115

AMERICAN CANCER SOCIETY RELEASES POLL RESULTS SHOWING PUBLIC CONCERN FOR HEALTH CARE AND SUPPORTING INCREASE IN FEDERAL TOBACCO TAX

Washington, DC , January 28, 1997 -- Two thirds of Americans want Congress to do something about health care coverage for the uninsured and favor raising the federal excise tax on tobacco to fund improved, more accessible health care and biomedical research, according to a poll released today by the American Cancer Society. The poll also reveals an across-the-board public concern over the quality of today's managed health care.

The results are from two recent polls conducted by Penn & Schoen Associates, Inc. for the American Cancer Society that show the depth of public support for federal funding of cancer control, research and prevention programs.

"There is great concern among the American public, that with the rapid change to health maintenance organizations and other types of managed care, quality of care is being compromised," said Harmon Eyre, M.D., executive vice president of Research and Cancer Control for the American Cancer Society. "We fear this might put cancer patients at risk of not being able to access the specialty care they need in a timely manner."

Fifty-four percent (54%) were very concerned about the rapid changes in the health care system caused by managed care organizations. Even more, 74% were concerned about the quality of care provided by managed care organizations if they or a family member were diagnosed with a serious illness.

"This is clearly an issue Congress needs to think about," stressed Dr. Eyre. "The federal government must play a key role if we are going to reduce cancer death rates and maintain quality care."

(more)

There is overwhelming support (73%) for raising revenue to pay for health care for all children who need it by increasing the federal tobacco excise tax -- which at 24 cents per pack, has not been raised since 1993.

If forced to choose, almost two in three Americans would spend higher excise taxes to expand health care coverage for children (58%). Sixty-eight percent (68%) would support using the funds to educate children and adolescents about the dangers of tobacco use. Conservatives (61%) support this idea almost as much as moderates (72%) and liberals (69%).

"Every five-cent increase in the federal tobacco tax would yield about $3.5 billion in new revenue over seven years and save the lives of about 60,000 children and adults alive today," said Dr. Eyre. "A $1.00 increase would raise $84 billion, save 1.15 million lives and reduce the number of smokers by 4.5 million."

For many years, Americans have strongly favored an increase in the excise tax on tobacco. For instance, 66% of American voters favored a $2 increase according to a Marttila & Kiley poll completed in April 1993.

An overwhelming 69% of Americans polled would use tobacco tax revenue to fund biomedical research, such as research to prevent and cure cancer. Last November, the American Cancer Society released new data showing for the first time in history, overall death rates have begun a sustained decline, and predicts, with a renewed commitment to education and research, this downturn could be accelerated significantly.

"This decline in cancer death rates has come about by our steady, but uncoordinated efforts to apply the knowledge that basic research has brought us in three main areas: cancer prevention, early detection and improved treatments," said Helene Brown, chair of the American Cancer Society's Futuring Initiative and director of Community Research at UCLA's Johnsson Comprehensive Cancer Center.

(more)

The new data, authored by Philip Cole, M.D., professor of Epidemiology at the University of Alabama at Birmingham, shows that from 1990 to 1995, the overall age-adjusted cancer mortality rate declined about 3.1% in the United States. The downturn in cancer death rates was also confirmed by similar trend-tracking by the National Cancer Institute.

"However, we are not accelerating this conquest of cancer to the degree we could," said Ms. Brown. "We can, within the next 20 years, accelerate this trend significantly -- perhaps cutting the rate of lives lost to cancer to half the current rate -- but this will take a higher level of urgency, and coordination of efforts by the government, private sector, volunteer and advocacy health groups to achieve this goal. It is clear from these poll results that the public supports this rededication of our resources and our resolve."

The American Cancer Society has identified eight key steps that are necessary to achieve an accelerated reduction in cancer mortality by the year 2015: 1) improved access to cancer information, screening and treatment; 2) improved health and cost savings offered by managed care's promotion of preventive care, early detection and risk counseling; 3) education through communications programs on cancer prevention, risk reduction and early detection; 4) increased financial support of biomedical research; 5) behavioral research to develop more effective cancer information delivery; 6) consensus on standards of cancer information, screening, treatment and care in all health care settings; 7) collaboration and coordination of effort and resources by government, the private sector and volunteers; 8) tobacco control, especially protection of children through increased regulation of tobacco.

"The public is telling us that health care is a big problem, and there is a way to provide protection for children and others who are in need of coverage, and to accelerate biomedical research efforts by raising the tobacco tax," Dr. Eyre stressed.

(more)

"Twenty-five years ago, the passage of the National Cancer Act mobilized the country's resources to fight cancer. Since that time, we have found the answers to many questions about this serious public health issue," said Dr. Eyre. "Our public officials and government agencies play an enormous role in the fight against cancer by supporting research that will help us learn more about how to prevent, detect, and treat this disease; and how to enhance the quality of life of those living with cancer all across this nation."

The American Cancer Society is the nationwide community-based voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy and service.

# # #

pollrel.lwp

National Exit Analysis

Nov 20, 1996

Health Care

Now I am going to ask you some health care related questions.

1. Are you very likely, somewhat likely, not very likely, or not at all likely to support political candidates in future elections who accept money from tobacco companies?

1) very likely	13%
2) somewhat likely	16
3) not very likely	24
4) not at all likely	35
5) don't know	13

2. Would you strongly support, somewhat support, somewhat oppose, or strongly oppose an increase in the cigarette excise tax if it were used to expand health care services for children?

1) strongly support	58%
2) somewhat support	15
3) somewhat oppose	7
4) strongly oppose	15
5) don't know	4

3. Are you very concerned, somewhat concerned, not very concerned, or not at all concerned about the rapid changes in the health care system caused by the changes to managed care organizations such as HMOs and PPOs?

1) very concerned	54%
2) somewhat concerned	27
3) not very concerned	6
4) not at all concerned	5
5) don't know	8

4. If you or a family member were diagnosed with a serious illness, such as cancer, would you be very concerned, somewhat concerned, not very concerned, or not at all concerned about the quality of care available through managed care organizations, such as HMOs?

1) very concerned	74%
2) somewhat concerned	14
3) not very concerned	4
4) not at all concerned	3
5) don't know	5

OMNIBUS SURVEY
December 21, 1996

Tobacco and kids

There is strong support for raising the excise tax on tobacco products. I am going to read several ways that the new revenue or moneys from increased tobacco taxes could be spent. Please tell me if you are extremely favorable, somewhat favorable, not very favorable, or not at all favorable toward using the new revenues from increased tobacco taxes for this reason.

1. provide health care coverage for all children who are not receiving health care -- are you extremely favorable, somewhat favorable, not very favorable, or not at all favorable to using new revenues from increased tobacco taxes for this purpose?

extremely favorable	65%
somewhat favorable	22
not very favorable	4
not at all favorable	3
don't know	2

2. biomedical research, such as research to prevent and cure cancer

extremely favorable	69%
somewhat favorable	22
not very favorable	3
not at all favorable	4
don't know	1

3. coverage for preventive health services such as mammograms or nutrition counseling

extremely favorable	56%
somewhat favorable	23
not very favorable	3
not at all favorable	7
don't know	2

4. Federal deficit reduction

extremely favorable	27%
somewhat favorable	22
not very favorable	11
not at all favorable	34
don't know	5

5. vouchers to purchase health insurance for children who are not insured

extremely favorable	59%
somewhat favorable	25
not very favorable	6
not at all favorable	8
don't know	2

6. public education efforts to inform children and adolescents about the dangers of tobacco use

extremely favorable	63%
somewhat favorable	22
not very favorable	3
not at all favorable	7
don't know	1

7. If you had to chose just one way to spend the new moneys from increased tobacco taxes -- which one of these options would you choose?

provide health care coverage for all children	43%	— provide health care coverage for all children
biomedical research, such as research to	17	- biomedical research
coverage for preventive health	4	4 - coverage for preventive services
Federal deficit reduction	2	2 - federal deficit reduction
vouchers to purchase health insurance for children	8	8 - vouchers for health insurance
public education efforts to inform	20	— public education
other	2	]— unknown / other
don't know	3	

4.9.97

GUIDANCE ON HATCH-KENNEDY HEALTH CARE BILL
APRIL 3, 1997

(A front-page piece in today's New York Times indicates that Senator Hatch has gained several Republican cosponsors for the Hatch-Kennedy bill to raise tobacco taxes to pay the cost of providing health insurance to more children.)

* The President's balanced budget proposal does not contain a tax increase on tobacco products. Overall, of course, the President is proposing a tax cut for middle class families.

* Senators Hatch and Kennedy have proposed raising the Federal excise tax on cigarettes as a means of financing a children's health care initiative

* We share with the senators the goal of increasing the number of children with access to quality health care. We also share with them the goal of protecting children from tobacco.

* That is why the President is working in the context of his own balanced budget to extend health coverage to 5 million uninsured children. And that is why he is working so hard to make sure that the rules for protecting children from tobacco and tobacco advertising are implemented.

* We have a budget that does expand coverage to 5 million additional children, but we have paid for it in the context of our balanced budget plan, and we think the spending cuts that we have included in that plan to achieve balance and pay for initiatives make a lot of sense.

* But whenever bipartisan leaders like Senators Hatch and Kennedy come together to increase health care for children and reduce cigarette smoking, their ideas deserve serious study and consideration. **And clearly, with significant Republican support, this proposal is going to get additional attention. We hope and expect that their proposal and the President's mark the beginning of a sustained and strong partnership between Republicans and Democrats to expand coverage to the millions of American children who have none.**

* We expect that this issue will be considered as part of the broader debate over balancing the budget and expanding health care for children

---

Q: Didn't the President propose to increase tobacco taxes in his own health care reform bill?

* Well, our current proposal is paid for in our balanced budget plan. This is a top priority, and obviously it needs to be adequately funded. There are various ways to pay for it, and we look forward to working with the bipartisan supporters of this and other legislation to expand health care for kids. Obviously, as the Congress considers these issues, the President will be open to other ideas, including those of Senators Hatch and Kennedy. We've made that clear

Q: Most Congressional Republicans seem fairly hostile to new spending as part of a balanced budget plan. Do you think you are going to have to give up the idea of expanding health care?

A: **No, if there was any message from the last election, it was that the American people want us to balance the budget while continuing to invest in their priorities, like education and health care. This is a high priority for the President, and he intends to continue to pursue it.**

I also disagree with your analysis of the situation in the Congress. If Senator Hatch can come up with so many Republican cosponsors for his proposal so quickly, that tells us there is a lot of bipartisan support out there for making sure that this nation's children have health insurance. We believe insuring more kids is not only right but very doable in this Congress.

TOIV
Reviewed by Sperling

11-14-96
Health care

Breast Cancer -- Outpatient Mastectomies

- In order to cut the rising costs of health care, some health care companies have employed the practice of outpatient mastectomies or lumpectomies.

- There will be an announcement (either today or tomorrow) from the American Association of Health Plans, which will state that the association believes this practice is deplorable and they will work as an industry to make certain that this does not happen.

- The Clinton Administration agrees with the industry -- we find this practice abhorrent. We are heartened by the association statement.

If pressed: We are not actively considering federal legislation on the subject; we believe that a voluntary ban is the best solution at this time.

Drafted: ME Glynn
Cleared: Chris Jennings
Melissa Skolfield

Congress of the United States
Washington, DC 20515

July 10, 1996

President Clinton
The White House
Washington, D.C

Dear Mr. President:

A sizable bipartisan majority in the Congress has taken action on a bill to make health care more available and affordable for millions of Americans.

We stand on the threshold of enacting such a law. The compromise bill we have developed provides for portability of health insurance, a demonstration of medical savings accounts, tough anti-fraud and abuse measures, and a series of changes to make health care more available and affordable, including an 80% tax deduction to help the self-employed get access to health care insurance.

This compromise has been endorsed by the American Farm Bureau Federation, the National Federation of Independent Businesses, the American Hospital Association, the American Medical Association, the Independent Insurance Agents of America, Communicating with Agriculture, the Chamber of Commerce, and many other non-partisan groups.

As you are aware, as a result of the many discussions with you, members of your Administration, and Congressional Democrats, we have made many significant concessions in order to win bipartisan support for this legislation. These concessions include eliminating medical malpractice reform and small business purchasing arrangements for health insurance and substantially scaling back the House-passed medical savings account provision. We are confident this compromise bill can be passed by an overwhelming bipartisan vote in both the House and the Senate.

Mr. President, we know of your personal involvement in the development of this bill and, in particular, the medical savings account demonstration. In our view, the latest medical savings account demonstration compromise that Senate Majority Leader Lott offered to you on June 27 was very generous and would be broadly supported by Republicans and Democrats alike. We hope you would respond to Senator Lott and accept this offer.

It is our understanding that the Senate Majority Leader is eager to name conferees so we can proceed to the next step in the advancement of this important legislation -- a conference of House and Senate Republicans and Democrats who will debate the entire bill. We hope you will use your influence to assist in the passage of this legislation by opposing any delay or filibuster either to name conferees or to bring the bill to a final vote.

President Clinton
Page 2

With your help, this bipartisan health care compromise can be on your desk for signature in a matter of days if you want it to be.

Sincerely,

Nancy Landon Kassebaum

J. Dennis Hastert

5·14·97

MEMORANDUM

May 13, 1997

TO: Distribution

FR: Chris Jennings

RE: Quality Commission's First Meeting

The Quality Commission's first meeting apparently received a great deal of press attention. According to HHS, media represented at the meeting included, ABC, NBC, CNN, *The New York Times*, *The Wall Street Journal,* The Associated Press, Congress Daily, Bureau of National Affairs, and others. The media seemed particularly interested in the Commission's work plan, especially its focus on the President's charge to develop a consumer bill of rights.

Co-Chairs Secretary Shalala and Secretary Herman briefed the press, emphasizing the consumer bill of rights issue as well as the President's letter welcoming the the Commission and urging them to speed up their drafting of the bill of rights. The letter, which I have attached, was given out to all members of the press. The press also spoke to various members of the Commission throughout the day.

The Commission also had an in depth discussion about the consumer bill of rights and members had a wide variety of opinions on what it should contain. Some felt that it should be a comprehensive document, containing an extensive grievances and appeals processes, while others felt it should be limited to issues of disclosure and access. This discussion will continue over the coming weeks by a subcommittee that was formed on this issue. The subcommittee will report back to the whole Commission at the next meeting which will be held on June 25 and 26.

Please feel free to call me at 6-5560 with any questions.

Distribution
Bruce Reed
Elena Kagan
Mike McCurry
Barry Toiv
Larry Haas
Lorrie McHugh
Mary Ellen Glynn
April Mellody

THE WHITE HOUSE

WASHINGTON

May 12, 1997

Dear Commission Members:

I enjoyed meeting many of you several weeks ago when we formally announced the members of the Commission. As you begin your first official meetings, I want to thank you once again for agreeing to serve.

I am delighted that such a distinguished group of experts, representing consumers, business, labor, health care providers, insurers and other health plans, and government, has agreed to participate on this Commission. Your work will play a crucial role in helping policymakers on all sides of the political spectrum chart a thoughtful course through a time of profound change in our health care system.

One of the Commission's most important goals is to ensure that patients and their families have appropriate consumer protections in our evolving health care system. I urge you to develop a "Consumer Bill of Rights" to be completed no later than this fall -- well before the January 31 due date of the Commission's preliminary report. Providing your recommendations in a timely manner to respond to this challenge will help in developing a long-overdue national consensus on this critical issue.

I also want to thank you for working so hard on clarifying your agenda and establishing a work plan. You well understand the need to focus narrowly enough to be effective as you review the broad range of issues that could come under your charge.

Thank you again for taking on this important challenge. I look forward to following your deliberations and reviewing your recommendations closely.

Sincerely,

Bill Clinton

12-9-96
Health

Press Guidance
December 19, 1996

Liver Transplantation

Background: There is a politically charged debate underway in the transplant community around the allocation of liver donations. There are moral and public health questions at stake as well as financial interests. Under the current system, livers are allocated by the Organ Procurement Transplantation Network using a grading system which favors recipients in high donor areas (basically, local recipients are given top priority for donated livers). This system has been criticized by many as unfair. In September of 1994, HHS published a proposed rule to provide for federal oversight of the processes by which OPTN allocates organs for transplantation. December 10-12, HHS will hold public hearings on the rule at NIH in Bethesda.

The Washington Post today implied that a letter on the issue written by one the President's close friends, David Matter, may have influenced the Administration's decision to make a move on this issue.

- This process was begun in September of 1994. It is one of intense interest for many parties. Hundreds of people from across the country on all sides of this issue have asked to testify.

- The President appropriately referred the letter to HHS and they responded. Both letters have been made public.

Did the President influence the decision by HHS to hold hearings?

He forwarded the letter to HHS appropriately. Those letters are available to you. In addition. It is our understanding that hearings were one of the options already under serious consideration prior to HHS' receipt of the letter.

FYI -- As a courtesy, Chris Jennings and Carol Rasco met within the last week or two with the opponents of the views of Pittsburgh Medical Center.

Drafted: Amellody
Approved: CJennings, KWallman

Why is HHS holding these hearings?

These hearings are part of a process that began in 1994, when the Health Resources and Services Administration (HRSA) published a notice in the Federal Register stating its intention to develop federal regulations on organ transplantation and donation policy. During the public comment period that followed the publication of that notice, a number of serious concerns were raised in the specific area of liver allocation and donation policies. Secretary Shalala thought those concerns were serious enough to warrant public hearings to make sure that U.S. policies are serving transplant patients in the most effective, efficient, and equitable way possible.

Are these hearings being held because of a letter to the President from David Matter?

The Matter letter was just one piece of input among a great many pieces of input that HHS has received on these issues. The fact that more than 100 people from across the country on all sides of these issues have asked to testify at these hearings proves that the hearings are of interest to more than any one person or organization.

Who is David Matter and what did he say in his letter to the President?

David Matter is a former college classmate of the President who is now a developer in the Pittsburgh area.* The letter, which has been publicly released, merely restates concerns that have been voiced publicly by a number of people in the transplant community.

Is this process an attempt to derail or override recent policy changes made by UNOS?

No, the HHS regulatory process that resulted in these hearings began in 1994, long before UNOS made its policy changes in November 1996. The HHS process and the UNOS policy changes have been moving along two separate tracks.

What happens if the HHS Secretary decides to issue a regulation that runs contrary to UNOS policies?

Our common goal is to serve transplant patients in the best way possible. We will seek to work with UNOS and all others in the transplant community toward achieving this goal.

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* According to Business Week