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Folder Title:
Health Care Information III [binder] [2]

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H/C Refm.
Proj. Summary

Divider Title: _____

HEALTH CARE REFORM PROJECT

THE VOICE OF AMERICANS FOR CHANGE, NOW

Health Care Reform Project Summary
Overview Update on National Recess Activities

(4/7/93 - district activities reported separately)

PRO-REFORM ADVERTISING

HCRP Advertising: TV Advertising 3/29 - 4/10 in Fresno, Topeka, Roanoke/Lynchburg, Charlottesville, Albany, Milwaukee, Springfield, Omaha, Ada-Ardmore/Tulsa. Radio advertising 3/30-4/8 San Diego, Philadelphia.

AARP Advertising: 3/21-4/3: Chicago, Detroit, New York, St. Louis. 3/28-4/3: Hartford, Elmira, Providence/New Bedford; Baltimore; Philadelphia; Roanoke/Lynchburg; Orlando; Tmpa/St. Petersburg; Atlanta, Tri-Cities, TN; South Bend; Madison; Milwaukee; Sioux City; Topeka; Minneapolis; St. Louis; Omaha; Jonesboro; Albuquerque; Bakersfield; Fresno/Visalia; Sacramento/Modesto; San Diego; Portland; Spokane.

Families USA Advertising: Radio Network donated time.

NCSC Advertising in the following districts: Lambert's; Slattery's; Klink; Hoagland's; Reed.

ILGWU Advertising (Unknown buy)

LWV Advertising (Unknown buy)

Campaign for Health Security Advertising: Roukema; Bilirakis; Klug, Cooper; Upton

MAILINGS

AAFP

Member mailing 75,000

AARP

Alerts: 1 million

APA

Mailing to Members: 55,000
Mailgrams sent to Members:
E&C 3,829
W&M 2,633

AFL-CIO

Retirees Mailing 43,711

Health Care Reform Project

AARP 292,000 pieces
AFL-CIO 200,253 pieces
AFT 68,126
APA 2,384
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Campaign for Health Security Mailing:

AFSCME/Citizen Action: 131,000
CWA 36,624
ILGWU: 4,698 (not yet dropped)
NEA: 63,925
NCSC : 12,907
SEIU 8,451
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Families USA

ASAP Network n Employer Mandate· 11,000

PHONE CALLS

AFSCME CALLS FOR HCRP TOTAL: total calls: 100,000

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H/C Opin.
Leaders

Divider Title: _____

February 22, 1994

MEMORANDUM TO ALEXIS HERMAN

FROM: DORIS MATSUI

RE: HEALTH CARE OPINION LEADER BRIEFINGS
RESOURCES

These briefings will be composed of 40 people each in the Diplomatic Reception Room. They will be briefed by either the First Lady or the Vice President, as the principals, as well as other briefers. We can also have a tour before the briefing. Hand-out materials (to be paid by the Delivery Room) as well as media coordinations must also be determined.

In order to follow the tentative schedule set up by Mike of **two briefings per week, beginning the week of March 7**, we will need to have a commitment on the following resources:

*A room, similar to room 192, the room we used for Nafta.

*Tables and chairs for at least 6 people

*Five people covering the hours from 9:00 - 6:00 pm, Monday through Friday.

*One separate phone number with five lines

*Fax Machine

*Two computers

In addition, we will need the **dates and commitment of the First Lady or the Vice President and the use of the Diplomatic Reception Room in the Residence.**

We need to make sure this happens as soon as possible, so that we can begin the invitation process.

cc Steve Hilton, Mike Lux

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Penn. H/C
Reform

Divider Title: _____

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: **John Hart, Deputy Assistant to the President for Intergovernmental Affairs**

DATE: **April 4, 1994**

SUBJECT: **Pennsylvania Health Care Reform and the Health Security Plan**

I. ISSUES OF CONCERN TO PENNSYLVANIA

A. Security

Although the state has a smaller uninsured population than the national average, the campaign of Senator Wofford demonstrates that Pennsylvanians are greatly concerned about health care security.

B. Rural and Urban Access

Much of the state's rural and urban populations are underserved. Franklin and Sullivan County each report that more than 20% of their populations are underserved. Thirty-three (33) other counties in the Commonwealth estimate that between 10% and 20% of their populations are medically underserved. Many who are underserved live in areas with an inadequate number of providers: 10% of Pennsylvanians live in areas with severe shortages of primary care providers.

C. Elderly and Long Term Care

Pennsylvania has a large, growing elderly population with concern about the future of their health care.

One specific benefit of the President's Health Security Act stems from the state's use of lottery revenue to provide prescription drug benefits to senior citizens. The plan's inclusion of these benefits under Medicare will free these state funds for alternative uses, such as providing supplemental services or additional coverage beyond the benefits package.

D. Medicaid and Uninsured

Over 1.3 million Pennsylvanians are currently uninsured. One in five (402,000) children in Pennsylvania under the age of 15 lack health insurance. Forty percent (40%) of these children live in households where the head is employed full-time. Another 40% live in households in which the head is employed part-time. Nineteen percent (19%) of the businesses in Pennsylvania with fewer than 50 employees

currently provide no health insurance for their employees. These businesses employ 331,000 full-time workers.

Currently, many providers refuse to accept Medicaid patients; in the New York-Maryland corridor, there are only 2 dentists who will serve Medicaid recipients.

II. OTHER PERTINENT ISSUES

A. Hyde Amendment: Although no Pennsylvania State law prohibits funding of rape and incest abortions (until now Pennsylvania has covered these abortions without federal matching dollars), state officials challenge the reporting requirements under the Hyde Amendment. Under current Pennsylvania law, rape and incest abortions can only be funded if the incident was reported to law-enforcement agencies. The Administration argues that all that is required for compliance is that state officials permit a waiver in those individual cases where a physician certifies that a particular woman was incapable of complying with the otherwise valid reporting requirement. Pennsylvania has sued the Federal Government over this requirement.

B. Medicaid Reform: In October 1993, the Administration approved a Medicaid expansion waiver using managed care. The State is now in litigation regarding the proposal. Providers and recipients are suing the State for denying recipients Freedom of Choice.

C. Welfare Reform: A welfare reform waiver was received by the Administration on February 18, 1994. The waiver includes a change in the income asset limit and work incentives. A decision is due June 18, 1994.

D. Women's Health: Governor Casey is expected to sign a bill in April 1994, that requires insurers to cover a series of women's health procedures. The bill includes annual pap smears, pelvic exams, and gynecological and breast exams. Public health advocated praise the bill while business and insurers oppose it claiming it will add $16 million to state health costs that insurers will pass along to subscribers.

E. Governor Casey's Health Status: Governor Casey had bypass surgery last Spring. Consequently, Lieutenant Governor Mark Singel was acting Governor of Pennsylvania for several months. Casey is back in office operating in full capacity as Governor of Pennsylvania. His office uses the his experience to point out the spottiness of our current health care system. They explain that while the Governor received the finest medical care, the hospital in which he

was treated has the highest infant mortality rate in the state.

III. PENNSYLVANIA HEALTH CARE REFORM EFFORTS

A. Proposed Pennsylvania Health Security Act

The General Assembly convened on January 4, 1994 and will consider Governor Casey's Pennsylvania Health Security Act (PHSA), which is similar to the President's Health Security Act. The PHSA seeks universal coverage through an employer mandate (coupled with an employee co-payment), and subsidies for low income uninsured persons up to 250% of poverty. It caps small business premium payments, offers coverage to the uninsured, establishes a Trust Fund for the unemployed, and encourages primary, preventive, and managed care. Care would be given through provider networks competing within health service regions, under the oversight of a non-profit, public board. Significant differences include the absence of Early Retirees Benefits, Long Term Care provisions, and a guaranteed fee-for-service option. Additionally, unlike the Clinton Plan, the PHSA allows consumers to purchase a plan offered by a pool outside the purchaser's region.

The plan contains some original details, such as a requirement that enrollees eligible for low income assistance must be fairly represented in each network. Community based planning will also be required, with at least one community health care partnership in each region.

Criticism of the PHSA parallels that of the Health Security Act. Small business is critical of the fiscal impact of the PHSA, insurers are opposed to an employer mandate, and nay-sayers insist that Pennsylvania's comparatively small uninsured population mitigates the need for such far reaching reforms. In response, the Governor's office points to the *under*insurance problem.

B. Health Care Cost Containment Council (HCCC)

The HCCC has been cited by the President and First Lady as an exemplary body for gathering data on cost and quality evaluations. The twenty-four person board is composed of representatives from the health care industry, state government and labor.

C. Uniform Claims Form

Passed in the 1993 legislative session, a single form will be used by all insurers, including Medical Assistance, by April 1994.

D. Pharmaceutical Assistance for the Elderly (PACE)
Pharmaceutical program for senior citizens exists as a wraparound benefit, separate from Medicare. The law includes a limit on the consumer's annual total expenditure.

E. Children's Health Insurance Program & Rural Care
Provides a basic benefits package for uninsured children who do not qualify for Medical Assistance.

Encourages Primary and Rural Care Practitioners

- -- Funds the Governor's School of Health Professionals at the University of Pittsburgh which finds high school kids with a predilection for medicine, and encourages them to seek training as primary care physicians.
- -- Provides State loans for doctors who choose to practice in rural areas.
- -- Offers rural doctors access to advanced technology via the state superhighway. The technology connects rural doctors to technology located in regional and teaching hospitals.
- -- Establishes challenge grants to medical schools that train primary care doctors, nurse midwives, and nurse practitioners.
- -- Establishes challenge grants to communities that support health care clinics in underserved areas.

F. Medical Assistance/Medical Training Reform
Earmarks half of all monies spent through Medicaid to fund programs for medical school residency, for primary care residencies. Requires a 30 day primary care, community based rotation for all M.D. candidates.

IV. FISCAL IMPACT OF THE HEALTH SECURITY ACT ON PENNSYLVANIA

The Department of Health and Humans Services analysis indicates that Pennsylvania would save at least $2.4 billion under health care reform. The state would save at least $2.2 billion between 1996 and 2000 in expenditures for Medicaid and community-based long term care. As an employer, the state would save $184 million in 2000 alone. Private employers who currently provide insurance would pay $5.4 billion less in premium payments in year 2000 under reform and their workers would pay $840 million less in premium payments in the year 2000.

V. STATISTICS

Pennsylvania's Rank

47th -- Percent of population uninsured, 7.8% (1992)

24th -- Percent of population covered by Medicaid, 9.9%, (1991)

25th -- Medicaid payments per recipient, $3,013 (1992)

8th -- Medicaid Expenditures as a percentage of total state expenditures, 21.5% (1992)

42nd -- Percentage of population underserved, 9.8%

20th -- Infant mortality rate per 1000 live births, 9.1, (1991)

15th -- Percentage of population enrolled in HMOs, 16.5% (1992)

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SUBJECT: **Pennsylvania Health Care Reform and the Health Security Plan**

I. BACKGROUND & SUMMARY

In many ways, Pennsylvania's health care needs reflect the needs of the country as a whole. Pennsylvania is among the leaders in state-based health care reform. Governor Robert Casey is very involved in health care reform and has set signing the Pennsylvania Health Security Act (PHSA), along with its companion bills, the Health Insurance Consumer Bill of Rights, the Health Care Malpractice Arbitration Reform Act and the Health Care Practitioner Self-Referral Act as a top priority for the 1994 legislative session.

Security
Although the state has a smaller uninsured population than the national average, the campaign of Senator Wofford demonstrates that Pennsylvanians are greatly concerned about health care security.

> **Response:** Pennsylvania will benefit under the Health Security Act (HSA) as the HSA provides affordable private health insurance to every American that can never be taken away. In addition, a new Vulnerable Population Adjustment (VPA) program will provide payments to hospitals with high rates of uncompensated care. The payments will compensate hospitals for unpaid costs incurred by low-income persons.

Rural and Urban Access
Much of the state's rural and urban populations are underserved. Franklin and Sullivan County each report that more than 20% of their populations are underserved. Thirty-three (33) other counties in the Commonwealth estimate that between 10% and 20% of their populations are medically underserved.

Response: Rural Pennsylvania will benefit under the HSA for the following reasons:

• HSA increases access to care and provides adequate choice of providers and plans by expanding the system's capacity and increasing the number of primary care providers, especially in underserved rural areas. For example, HSA:

- Builds on the strength of successful programs, such as Community and Migrant Health Centers, through increased funding to expand the number of people they serve.

- Creates a new capacity expansion program which authorizes funds to:

  1) integrate providers who care for low-income persons into the reformed system;

  2) help providers work together and negotiate effectively with health plans;

  3) develop information systems and tele-communication linkages; and

  4) provide grants and loan guarantees to help rural providers establish new practice sites and renovate existing sites.

- Requires health plans to contract with all certified essential community providers to help assure the viability of health care providers who serve vulnerable populations.

- Expands five-fold the National Health Services Corps' (NHSC) field strength and provides tax incentives for non-NHSC primary care providers who locate in underserved areas.

- Provides outreach, transportation, translation, and non-medical case management through a new flexible enabling service program and existing PHS programs to ensure that underserved populations will be able to overcome non-financial barriers to care.

• HSA allows states to require health plans to cover all or specific parts of a regional alliance area as a condition of contracting with an alliance to assure that persons in the alliance area have access to a selection of health plans. Alliances may also offer

incentives to health plans to encourage them to provide coverage to rural areas or to help establish new plans.

- States are given the flexibility to choose between an alliance system with one or more alliances, a single payer system, or an all payer system. This flexibility will better enable the state to design a system which best meets their individual needs.

Many who are underserved live in areas with an inadequate number of providers: 10% of Pennsylvanians live in areas with severe shortages of primary care providers.

Response: Historically, primary care providers or low income women and children have been under-compensated. The comprehensive benefits package of HSA will include prenatal care, immunizations, regular checkups and preventive services for children including vision and dental care. Accordingly, with these services paid by private insurers, more providers should be willing to serve these populations.

In addition, HSA offers incentives for physicians to enter primary care. The HSA will increase training opportunities for medical graduates entering primary care. Federal support will be provided to train doctors in a variety of settings where primary care is provided. In addition, the HSA will increase Medicare payments for primary care.

Elderly and Long Term Care

Pennsylvania has a large, growing elderly population with concern about the future of their health care:

Response: Older Americans will see little change in the new system. They will continue to receive Medicare benefits and see the same doctor if they choose. They will also be given new help in paying for prescription drugs and long-term care and have opportunities to choose among a broader set of plans. The HSA also offers an early-retirement benefit with 80% of the health care insurance premium paid by the government. In addition, Medicare payments are largely unchanged under the HSA. However, four major areas of Medicare hospital payment policy are affected by the Act: payment updates, payments for capital costs, the Medicare DSH adjustment, and indirect medical education adjustments.

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prescription drug benefits to senior citizens. The plan's inclusion of these benefits under Medicare will free these state funds for alternative uses, such as providing supplemental services or additional coverage beyond the benefits package.

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Currently, many providers refuse to accept Medicaid patients; in the New York-Maryland corridor, there are only 2 dentists who will serve Medicaid recipients.

> **Response:** Under HSA, many full and part-time low-wage employees who currently do not receive health care benefits will receive private health care insurance through their employer. All employers would pay 80% of the basic benefit plan's premium. The government will offer subsidies to small employers. Other low-income persons will be offered private health care insurance with government subsidies. Medicaid recipients will remain covered as today, but - like everyone else - will seek coverage through regional alliances. With everyone having health care benefits guaranteed at work, many of Pennsylvania's current uninsured population will have coverage.

II. OTHER PERTINENT ISSUES

Hyde Amendment: Although no Pennsylvania State law prohibits funding of rape and incest abortions (until now Pennsylvania has covered these abortions without federal matching dollars), state officials challenge the reporting requirements under the Hyde Amendment. Under current Pennsylvania law, rape and incest abortions can only be funded if the incident was reported to law-enforcement agencies. The Administration argues that all that is required for compliance is that state officials permit a waiver in those individual cases where a physician certifies that a particular woman was incapable of complying with the otherwise valid reporting requirement. Pennsylvania has sued the Federal Government over this requirement.

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B. Other Bills

Other bills coming before the legislature this session include initiatives to expand the responsibilities of nurse practitioners, malpractice reform, various insurance reforms (portability, ban on physician self-referral, guaranteed access), and a loosely drafted single payor plan which has little popular support.

C. Other Reforms: Proposed by Governor Casey

1. **Reform the Health Care Cost Containment Commission**
   - -- Provide analysis of insurance payment to providers.
   - -- Institute a study of women's health care: tally number of hysterectomies, mastectomies, cesarean section births.
   - -- Report on incidents of doctors referring patients to MRI, laboratory, and rehabilitation services.

2. **Ban On Physician Self-Referral:** Prohibit doctors from referring patients to treatment centers in which the doctor has more than 5% ownership.

3. **Medical Malpractice Reform:** Institute a medical arbitration panel; the panel will take the case to court if necessary. (Unlike the Health Security Act, this reform does not cap attorney fees.)

4. **Consumer Health Insurance Bill of Rights**
   - -- Prohibits termination of insurance coverage except when consumer fails to pay her/his premiums, or s/he commits fraud.
   - -- Prohibits denial of coverage due to pre-existing condition.

-- Guarantees everyone the right to purchase health insurance if they leave their employment.

IV. GENERAL COMPARISON OF PENNSYLVANIA'S REFORMS TO THE HSA

A. Similarities:

Security

Like the President's HSA, the PHSA seeks universal health coverage that can never be taken away.

Savings

Like the HSA, the PHSA promotes savings through efficiency by encouraging managed and coordinated care,

Simplicity

Pennsylvania's introduction of a single claims form reflects the commitment to reducing waste and bureaucracy. This is a central tenet of the HSA.

Choice

As in the HSA, Pennsylvania's proposed reforms enhance consumer choice in two ways:

1. Leveraged purchasing makes more options available to employees of small businesses as well as to high risk, low income, and self-employed persons.

2. Individuals for whom health care plans were previously chosen by employers, will now have a choice of plans.

In addition, doctors are free to provide medical care outside their network.

B. Differences

Security

* Pennsylvania's plan contains no long term care provisions.

* Although the Pennsylvania reforms are intended to provide health security, it can be taken away. That is, those individuals who are unemployed for more than a six month period, and are not 250% below the poverty level, can lose their coverage. The Plan establishes a trust fund, which is composed of monies charged to employed persons above their premium costs. In return, these individuals receive 6 months of health care

coverage upon unemployment; and up to 2 years in a lifetime.

Choice
The Pennsylvania plan does not require each network to include a fee-for-service option. However, all networks are free to include this option (and a consumer can seek this care outside his/her region.)

V. OTHER REFORMS

Health Care Cost Containment Council (HCCC)
The HCCC has been cited by the President and First Lady as an exemplary body for gathering data on cost and quality evaluations. The twenty-four person board is composed of representatives from the health care industry, state government and labor.

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VII. STATISTICS

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VIII. SOURCES

Governor Casey's Office.
Governor Robert P. Casey's Pennsylvania Health Security Act, Statutory Summary.
The Pennsylvania Economic Development Partnership Health Care Committee, "Managed Competition: A Health Care System for Pennsylvania," November 1992.

COMPARISON CHART: PENNSYLVANIA HEALTH SECURITY ACT AND THE HSA

KEY ELEMENTS OF REFORM	PENNSYLVANIA's HEALTH CARE REFORMS	HEALTH SECURITY ACT
Universal Access	Yes, by Jan 1, 1996.	Yes, by 1998.
Method of Coverage	Employer mandate + Employee co-payment; Subsidies for persons up to 250% of poverty.	Employer mandate; subsidies for uninsured unemployed and self-employed;
Organization	Regional Purchasing Pools overseen by non-profit public board. Pools based on 9 existing regions drawn by Cost Containment Board. Each is larger than SMSAs.	Regional alliances based on SMSAs.
FINANCING		
Terms of Employer Mandate	90-10 ER/EE% contribution based on the premium of the lowest priced plan. 45-55% ER/EE contribution for part-time employees.	80-20 ER/EE contribution based on the weighted average premium for the alliance.
Small Business	Premiums capped at 7% of payroll; + subsidies for small businesses. (Firms with 25 or fewer employees.)	Premiums capped at 7.9% payroll. (Subsidies for firms with 75 or fewer employees)
Financing Mechanism	Monies raised through savings from coordinated, preventive, and managed care; and from cutting bureaucracy.	Monies raised through comparable savings mechanisms + $.75 Cigarette Tax.

Corporate Alliances	No. As currently written, large employers must purchase coverage through regional alliance. Governor's office agreed to re-write this to allow for self-insurance for large employers.	Yes. Large employers can purchase coverage outside regional alliance. They will be taxed for this privilege.
SPECIAL POPULATIONS		
Unemployed	6 months of coverage, 2 year lifetime maximum. (from Trust Fund, financed by charges above premium cost to employed persons).	Unemployed individuals continue to pay 20% of the premium + discounts based on their income. Those with non-wage income, may be responsible for some or all of the employer's (80%) share.
Low Income	Subsidy for persons up to 250% of poverty level.	Families at 150% of poverty will be eligible for discounts on the cost of insurance. Medicaid recipients will remain covered as today, but will seek coverage through regional alliances.
OVERSIGHT		
Oversight Board	Yes, a statewide 9 person corporate board will set benefits package, designate health service regions.	National Health Board: sets standard benefits package; assists resolution of problems with alliances.
State & Regional Alliances	Non-profit public boards in each region.	Each alliance has its own board.

BENEFITS		
Standard Comprehensive Benefits Package	Yes. Not detailed in the bill. To be set by oversight board.	Yes.
Long Term Care	**NO. THIS IS SIGNIFICANT, AS PENNSYLVANIA HAS A LARGE SENIOR POPULATION.**	**Yes.**
Pharmaceutical Subsidy for the Elderly	Yes, a wrap around benefit with an annual limit on what an individual will pay.	Yes with a $5 co-payment.
Early Retirees Benefit	None.	By 1998 all retirees will get 80% share paid from federal funds. One time assessment fee (on those who currently cover early retirees) to recover money from private sector.
Abortion	Currently, abortion services are not available for low-income individuals, except when they can prove incest, rape, or threat to the life of the mother.	Yes, funding follows current state and federal law (with a conscience clause for providers).
MEDICAL DELIVERY Special Concerns		
Primary and Preventive Care	Emphasized. Bill does not set terms of preventive care. To be set by legislature.	Emphasized, defined.
Doctor Multiple Network Affiliation	Yes.	Yes.

Patient, Doctor Choice	Consumer is free to choose a provider that is affiliated with a pool outside of the consumer's regional pool. There is no rule requiring each Network to offer one fee-for service plan. Doctors have the right to affiliate with more than one provider network.	Consumer must choose a provider that is offered by the consumer's regional alliance.
Managed Care	200,000 Medicaid patients; 80,000 through HealthPASS program. Two million people are in HMOs outside the Medical Assistance program. Private industry increasingly using managed care.	Favored.

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Town Hall
Mtings

Divider Title: _____

March 24, 1994

MEMORANDUM FOR DISTRIBUTION

MAR 24 1994

FROM: Debbie Fine and John Sutton

Attached is an updated list of town hall meetings. Please look over the information and if you have any corrections, additions, or deletions let us know.

DISTRIBUTION:

Steve Edelstein
Kelcey Kintner
Susannah Wellford
Skila Harris
OPL Staff

3/25

LA - Rep. Jim McCrey
Columbia Institute in Monroe
Several panel discussions and asking Pat Ford Roegner to be keynote speaker

CA - Rep. Richard Lehman
League of Women Voters Education Fund Public Forum in Fresno

LA - Rep. Jim McCrery
Columbia Institute Forum in Monroe

CO - Senator Nighthorse Campbell with Secretary O'Leary
Health Care Town Hall Meeting with seniors in Denver (9:30 A.M.)

3/26

NY - Rep. Susan Molinari
Rep is sponsoring a Health Care Forum in Staten Island.
Walter Zelman will present the plan

NM - (Rep. Bill Richardson)
League of Women Voters Education Fund Public Forum in Albuquerque

CA - (Rep. Richard Lehman)
League of Women Voters Education Fund Public Forum in Fresno

NJ - Rep. Marge Roukema
Community Roundtable on Issues
Hawthorne (1-2:00 P.M.)

NJ - Rep. Herb Klein
Town Hall Meeting in Wayne

3/28

ID - Rep. Larry LaRocco
Rep. is doing a Health Care event on tele-medicine
Looking for someone to participate via satellite

WA - (Rep. Jay Insley)
League of Women Voters Education Fund Public Forum in Yakima

NJ - Rep. Robert Andrews and Secretary Reich
Town Hall Meeting at Camden Community College in Blackwood (10 A.M.)

NC - Rep. Eva Clayton
Town Hall Meeting in Fayetville

MN - Rep. James Oberstar
Town Hall Meeting in Cambridge

3/29

IL - (Rep. Dennis Hastert)
League of Women Voters Education Fund Public Forum in Rockford

UT - (Rep. Karen F. Shepherd)
League of Women Voters Education Fund Public Forum in Salt Lake City

CA - Rep. Esteban Torres
Town Hall Meeting; one of two or three meetings
Asked Richard Veloz to speak

NJ - Rep Herb Klein
Town Hall Meeting in Haladon/North Haledon/Prospect Park

OH - Rep. David Mann
Town Hall Meeting at North College Hill Senior Center in North College Hill
7:00 P.M.-8:30 P.M.

3/30

OK - Senator David Boren
Rep. is chairing a statewide Health Care Forum where the entire Oklahoma delegation should be present as well as many Oklahoma constituencies

NY - (Rep. Michael McNulty)
League of Women Voters Education Fund Public Forum in Schennectady

NY - Rep. Nydia Velazquez
Town Hall Meeting
Asked Richard Veloz to speak

CA - Rep. Lynn Schenk and Rep. Bob Filner
The National Council on Disability Town Meeting in San Diego

WI - Rep. Herb Klein
Town Hall Meeting in West Paterson (tentative)

3/31

CA - Rep. Lynn Woolsley
A business and community Health Care Forum in the Northern California District
Dr. Phil Lee is attending

CA - Rep. Esteban E. Torres
Town meeting on Health Reform focussing on seniors, employers/ small business, and employees/ consumers
Torres-Gill will be attending

TX - Rep. Charles Stenholm
Columbia Institute Health Care Reform '94: The Emerging Bi-Partisan Consensus
Forum co-chaired by Rep's Charles Stenholm, Joe Barton, and John Bryant
Bob Van Hook speaking

NJ - Rep. Frank Pallone
Town Hall Meeting on Health Reform in Highland Park
First Aid Squad

NJ - Rep. Herb Klein
Town Hall Meeting in Little Falls (tentative)

WI - (Rep. Toby Roth)
League of Women Voters Education Fund Public Forum in Green Bay

IL - (Rep. Henry Hyde)
League of Women Voters Education Fund Public Forum in Chicago

OH - Rep. David Mann
Town Hall Meeting in Silverton Municipal Building Council Chambers in Silverton (7P.M.-8:30 P.M.)

4/1

VA - (Rep. Robert C. (Bobby) Scott)
League of Women Voters Education Fund Public Forum in Hampton

CA - Senator Feinstein and Rep. Fazio with Secretary Shalala
Health Care event in California

4/4

TX - Rep. Jim Chapman
Hosting three Town Hall Meetings in his East Texas District

SD - (Rep. Tim Johnson)
League of Women Voters Education Fund Public Forum in Sioux Falls

NV - (Rep. James Bilbray)
League of Women Voters Education Fund Public Forum in Las Vegas

MI - Rep. Fred Upton
AARP planning Health Care Forum with Rep.

4/5

GA - (Rep. J. Roy Rowland)
League of Women Voters Education Fund Public Forum in Macon

IN - (Rep. Dan Burton)
League of Women Voters Education Fund Public Forum in Indianapolis

TX - Rep. J.J. Pickle cd
The National Council on Disability Town Meeting in Austin
Texas Rehabilitation Commission

NJ - Rep. Herb Klein
Town Hall Meeting in Cedar Grove (tentative)

OH - Rep. David Mann
Town Hall Meeting at St. Bernard City Hall in St. Bernard (7P.M.-8:30P.M.)

4/6

CA - (Rep. Christopher Cox)
League of Women Voters Education Fund Public Forum in Orange County

CA - (Rep. Robert Matsui)
League of Women Voters Education Fund Public Forum in Sacramneto

NY - (Rep. James T. Walsh)
League of Women Voters Education Fund Public Forum in Syracuse

AS - (Rep. Don Young)
League of Women Voters Education Fund Public Forum in Anchorage

FL - (Rep. Sam M. Gibbons)
League of Women Voters Education Fund Public Forum in Temple Terrace

KS - Rep. Jim Slattery
The National Council on Disability Town Meeting in Topeka
Ramada Inn

4/7

NY - (Rep. Charles E. Schumer)
League of Women Voters Education Fund Public Forum in New York

WA - (Rep. Jim McDermott)
League of Women Voters Education Fund Public Forum in Seattle

NH - (Rep. Dick Swett)
League of Women Voters Education Fund Public Forum in New London

WI - (Rep. Toby Roth)
League of Women Voters Education Fund Public Forum in Green Bay

VA - Rep. Leslie Byrne
Town Hall Meeting at Woodbridge High School in Woodbridge

4/8

ND - (Rep. Earl Pomeroy)
League of Women Voters Education Fund Public Forum in Fargo

4/9

VA - Senator Charles Robb
Northern Neck Health Action Group
Community Forum on National Health Care Reform at the Lancaster Middle School in Kilmarnock. 500 people to attend
Asked Rick Kronick

PA - Rep. Marjorie Margolis-Mezvinsky
League of Women Voters Education Fund Public Forum in Philadelphia
Mandell Theatre- Drexel University

AL - (Rep H.L. (Sonny) Callahan)
League of Women Voters Education Fund Public Forum in Mobile

ME - (Rep. Olympia Snowe)
League of Women Voters Education Fund Public Forum in Portland

PA - (Rep. Marjorie Margolies-Mezvinsky)
League of Women Voters Education Fund Public Forum in Philadelphia

HI - (Rep. Neil Abercrombie)
League of Women Voters Education Fund Public Forum in Honolulu

NY - Rep. ?
The National Council on Disability Town Meeting in New York City
Holiday Inn Crown Plaza

4/10

NY - Rep. Eliot Engel
Engel is holding a series of Health Care Forums in the Bronx
These meetings will be a panel discussion with health care experts presenting details of the HSA, the Cooper plan, and the single payer option
Dr. Irwin Redlener is attending

FL - (Rep. Douglas (Pete) Peterson)
League of Women Voters Education Fund Public Forum in Tallahassee

4/11
WV - (Rep. Robert E. Wise, Jr.)
League of Women Voters Education Fund Public Forum in Charleston

PA - Rep. Margolies-Mezvinsky
The National Council on Disability Town Meeting in Philadelphia
Holiday Inn City Centre

4/15
OH - Rep. Mann
Senior Town Hall Meeting in Cincinnati
Bill Benson will attend

4/16
IN - Rep. John T. Myers

NC - (Rep. David E. Price)
League of Women Voters Education Fund Public Forum in Raleigh

4/18
OH - (Rep. Tom Sawyer)
League of Women Voters Education Fund Public Forum in Akron

4/22
OK - (Rep. Dave McCurdy)
League of Women Voters Education Fund Public Forum in Oklahoma City

4/23 - (Rep. Anna G. Eshoo)
CA League of Women Voters Education Fund Public Forum in Palo Alto

NJ - (Rep. Herb Klein)
League of Women Voters Education Fund Public Forum in Maplewood

4/25
CT - (Rep. Rosa L. DeLauro)
League of Women Voters Education Fund Public Forum in North Haven

IL - Rep. Jerry Costello
tentative

4/30
VA - Rep. Leslie Byrne
9:30 A.M.-11:30 A.M. (location to be announced)

5/7

CA - Rep. Lucille Roybal Allard
Town Hall Meeting
Torres-Gill will be attending

5/9

SC - Rep. Floyd Spence

Tentative Dates for League of Women Voters Education Fund Public Forums

March or April
Middletown, NJ

April
Fresno, CA
Dover, DE
Bonita Springs, FL
Annapolis, MD
Detroit, MI
St. Thomas, VI

April or May
Carbondale, IL

May
Trenton, NJ
Casper, WY

No Date
Boston, MA

March 21, 1994

MEMORANDUM FOR DISTRIBUTION

MAR 21

FROM: Debbie Fine and John Sutton

SUBJECT: Town Meetings

The National Council on Disability will host a series of town meetings on making health care reform work for individuals with disabilities.

The town meeting schedule, 8:30 A.M. to 3:30 P.M., is as follows:

March 30
CA - Rep. Lynn Schenk and Rep. Bob Filner cd's
San Diego, CA- San Diego Hilton

April 5
TX - Rep. J.J. Pickle cd
Austin, TX- Texas Rehabilitation Commission

April 6
KS - Rep. Jim Slattery cd
Topeka, KS- Ramada Inn

April 9
NY - New York City
Holiday Inn Crown Plaza

April 11
PA - Rep. Margolies-Mezvinsky cd
Philadelphia, PA- Holiday Inn City Centre

DISTRIBUTION:

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Constituency
H/C Brfings

Divider Title: _____

get to David Anderson

MEMORANDUM

TO: STEVE HILTON, GREG LAWLER, MIKE LUX, FLO MCAFEE, DEBBIE FINE
FROM: DANNY WEXLER
SUBJECT: CONSTITUENCY HEALTH CARE BRIEFINGS
DATE: APRIL 11, 1994

To ensure we are coordinated on the upcoming constituency health care briefings, this memo will provide information based on our discussions. Also included is the schedule for the next three opinion leader briefings.

First, the Constituency briefings:

Most of these briefings are scheduled for 2 hours, 10:00 am to 12:00 noon and will take place in room 450 OEOB. The format (for the briefing in the OEOB) would include presentations on message, legislative strategy and remarks by one of the principals. For example:

10:00 am- 10:10 am	Alexis Herman Welcome and introduction
10:10 am- 10:40 am	**Message Briefing** Speakers could include: Bob Boorstin Paul Begala Mandy Grunwald
10:40 am- 11:10 am	**Legislative Strategy Briefing** Speakers could include: Jack Lew Steve Richetti Chris Jenning Pat Griffin
11:10 am- 11:30 am	Break
11:30 am- 12:00 pm	One of the following: The President The Vice President The First Lady Mrs. Gore Lloyd Bensten Donna Shalala Robert Reich Mack McLarty George Stephanopoulos

The White House

Health Reform Delivery Room

Phone: 202-456-2566
Fax 202-456-2362

Facsimile Cover Sheet

To: M. Lux

Fax #: 629855

From: Debbie Fine

Date:

Comments:

Number of pages including cover: 5

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This is for illustration purposes. I have not made any calls about speakers. Once everyone has this document we can finalize the program and begin to confirm the speakers.

These briefings will also include a media component. As we have done with other briefings, arrangements will be made through the Office of Media Affairs for speciality and regional press. This will be done for the "off campus" events as well as the briefings in OEOB 450 and 474.

Based on our discussions, following is the current schedule for the constituency days. Mike Lux will be the overall coordinator in terms of participants. In addition, I have listed next to each event the name of other staff person(s) who will work on the invitation list.

APRIL

Tuesday, April 19	**Religious Leaders** (Flo McAfee) 10:00 am Room 474	VPOTUS
Thursday, April 21	**Labor Leaders** (Joe Velasquez) CWA and Building Trades 10:00 am Room 450	HRC
~~Tuesday~~ Thurs April ~~26~~ 28	**Long Term Care/Healthright** (Debbie Fine) Off Campus, Time and Location Tbd	HRC
Wednesday April 27	**Seniors/NCOA** Breakfast at NCOA Convention	POTUS
~~Friday, April 29~~ May 19	**Mental Health Groups** (Skila Harris) 10:00 am Room 450	MEG

MAY

Monday, May 2	**Disabilities Groups** (Debbie Fine) Off Campus, Time and Location, Tbd	POTUS or HRC
Tuesday, May 3	**Small Business/Farmers** (Amy Zisook) 10:00 am Room 450	Bentsen VPOTUS
Wednesday, May 4	**Disease Groups** (Doris Matsui) 10:00 am Room 450	HRC
Thursday, May 5	**Consumer Groups** (Office of Consumer Affairs, Ben Johnson) 10:00 am Room 450	VPOTUS or MEG
~~Monday~~ Friday, May ~~9~~ 6	**Women's Groups** (Doris Matsui, Melanne Verveer) 10:00 am Room 450	Shalala Kennedy HRC MEG

Tuesday, May 10	**American Nurses Association (Marilyn Yager)** **Off Campus, Time and Location, Tbd**	POTUS
Wednesday, May 11	**Labor Groups (Joe Velasquez)** **AFT, AFL-CIO** **10:00 am Room 450**	Reich Shalala Harold
Thursday, May 12	**Doctors (Marilyn Yager)** **10:00 am Room 450**	VPOTUS? HRC?
Week of May 16	~~**Education/Teachers (Doris Matsui)**~~ ~~**10:00 am Room 450**~~	
	5|16 - Seniors or LTC	
Tuesday, May 17	**Hospitals** **10:00 am Room 450**	VPOTUS
Wednesday, May 18	**Children's Defense Fund** **10:00 am Room 450**	Doris Riley HRC POTUS

Thursday 5|19 Mental Health Mtgs

SCHEDULE FOR STATE OPINION LEADER DAYS

Friday, April 15	**PENNSYLVANIA** **1:45 pm Diplomatic Reception Room**
Monday, May 2	**KANSAS** **1:45 pm Diplomatic Reception Room**
Friday, May 6	**CALIFORNIA** **1:45 pm Diplomatic Reception Room**

The schedule for these briefings will be the same as before. The group will be dropped off by the tour officer at about 1:30 in the Diplomatic Reception Room. The schedule:

1:40 pm - 1:45 pm	**Alexis Herman** **Welcome and Introduction**
1:45 pm - 2:15 pm	**Policy Briefing (Walter Zelman is confirmed for all three days).**
2:15 pm - 2:45 pm	**Message Briefing (I spoke with Cathy Balsam-Schwaber about getting Bob Boorstin, Mandy Gruenwald and/or Paul Begala).**
2:45 pm - 3:00 pm	**Break**
3:00 pm - 3:30 pm	**Strategy Briefing (I have spoken with Harold Ickes' office about this slot).**

3:30 pm - 3:45 pm	The First Lady.
3:45 pm - 3:50 pm	Alexis Herman Closing Remarks
3:50 pm	Participants are escorted to the Stake-Out for media interviews.

We need to continue to work on the speakers. I am confident about the first two, however, I think Harold Ickes has some conflict next Friday, April 15.

Please let me know of changes or updates in the schedule as they occur.

2-3

Lucas

Senate

Senate Finance

- Howe
- Chapel
- Clanton
- Pinkerton

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Hlth Security
Act

Divider Title: _____

THE HEALTH SECURITY ACT OF 1993: A SUMMARY

The Clinton plan offers a system of guaranteed private insurance. It proposes to build on the current system of private insurance with two critical changes: first, the guarantee of comprehensive health benefits that can never be taken away; and second, greater consumer power for people and small businesses to choose quality health insurance at lower cost.

Our national goal is health security for every American -- comprehensive health benefits that can never be taken away. No limit on benefits over your lifetime. No refusal of insurance if you have a pre-existing condition. No losing your insurance if you get sick or lose your job. And no rate increases if you get sick.

Our principles are clear and distinguish our approach: Security -- comprehensive benefits that can never be taken away. Simplicity -- creating a single claim form to reduce paperwork and bureaucracy. Savings -- controlling health care costs. Quality -- making the worlds' best care better. Choice -- preserving your right to choose your doctor and expanding choice of private insurance plans. Responsibility -- every American assumes responsibility to bring an out-of-control system under control and put funding on a fair and responsible basis.

Real reform and real savings are possible only if health care benefits are guaranteed to every American. Without universal coverage, there's no guarantee we will be able to control costs and provide comprehensive benefits. For example, today, everyone of us pays a part of the $25 billion bill for health care for the uninsured; and a single claim form doesn't save money unless everyone is using it.

Comprehensive benefits include preventive care, prescription drugs, doctor visits, hospital services, home health care, hospice care, emergency care and ambulance services, mental health care, vision care, and dental care for children and eventually, for adults.

For seniors, the protection of Medicare remains with improvements -- new prescription drug coverage and a new long-term care program. Our health security plan will achieve real savings in Medicare and re-invest those savings to improve benefits.

For small business, our plan provides insurance discounts to help them afford comprehensive benefits for their employees. Most small businesses already provide health insurance to their employees but they're forced to pay as much as 50% more than larger companies. Our plan helps assure them the best benefits, controlling costs and expanding coverage.

If we fail to act:

- **Every American -- 100% -- can expect to pay higher insurance premiums nearly every year, with no guarantee of security, no guaranteed benefits, and no guarantee that insurance will be there when they need it.**

- **One of every four Americans will lose their insurance at some point in the next two years.**

- **Almost $1 out of every $5 Americans spend will go to health care.**

- **By the end of the decade, just to keep their benefits, American workers will sacrifice almost $600 in wages every year.**

- **Millions of Americans will find that rising costs will force their firms to cut back on benefits and limit choices of doctors and health plans.**

Our plan for health security is the most comprehensive and responsible, building on what works in our current system and fixing what doesn't. We maintain an essentially private system, streamlined and less bureaucratic than what we face today. And, we're demonstrating how that system will work -- from details on the benefit package and premiums to a firm explanation of the most responsible financing possible.

HOW THE PLAN WORKS

How Health Care Reform Will Affect You

- *Our national goal is health security* -- comprehensive health benefits guaranteed for every American.

- *How will the President's plan work?* The Clinton plan offers a system of guaranteed private insurance. It proposes to build on the current system of private insurance with two critical changes: first, the guarantee of comprehensive health benefits that can never be taken away; and second, greater consumer power (for people and small businesses) to choose quality health insurance at lower cost.

- *How will you get health insurance?* The way most Americans do today, through your employer. If you're employed, you'll choose your health plan at work, and your employer will make a contribution to help pay. If you're unemployed or self-employed, you'll sign up by mail or telephone. Every American citizen and legal resident will receive a Health Security card that will protect you from ever losing your coverage -- no matter what.

- *Your Health Security card* guarantees you comprehensive benefits that can never be taken away -- benefits as comprehensive as those most Fortune 500 companies offer: doctor and hospital care, prescription drugs, and something rarely found in today's insurance plans -- preventive care, including prenatal care, immunizations, and disease screening for adults, such as mammograms, Pap smears, and cholesterol tests. And there will be no lifetime limits on benefits.

- *You choose your doctor and your health plan.* Every American will have a choice of health plans -- and plans will enroll everyone who applies, regardless of age, occupation or medical history. You will be able to follow your doctor into a traditional fee-for-service plan, a network of doctors and hospitals, or a health maintenance organization (HMO). For older Americans, Medicare will be preserved and strengthened with new coverage of prescription drugs. And there will be expanded options for home and community-based long-term care.

- *Informed choices strengthen consumers.* Easy-to-understand "report cards" on health plans -- the doctors and hospitals involved, the quality of care, consumer satisfaction, prices, and other factors -- will help you make smart choices. Once a year, consumers will have a chance to choose a new plan, something most people can't do today.

- *It's easy to get care.* Once you've picked a plan, if you need to go to the doctor for a check-up or if you get sick, you'll simply take your Health Security card, show it at the doctor's office, and they'll take care of you. Then you'll fill out one standard form, and you're done. So when you get sick, you won't be buried in forms -- and neither will your doctor or hospital.

WHY UNIVERSAL COVERAGE IS IMPORTANT

- **We must guarantee health security -- no matter what.**

  Real health security means comprehensive health benefits that can never be taken away -- that is possible only with universal coverage. We need to be able to say to people who work hard and play by the rules that they will never lose their insurance. If you lose your job. If you start a small business. If you get sick. If your child gets sick. No matter what -- you're covered. It's time to give the American people freedom from the fear that they could lose their health coverage and be denied care when they or their children need it most.

- **Universal coverage is essential to controlling costs.**

  Without universal coverage, too many will continue to get care from emergency rooms instead of doctors' offices -- because they couldn't afford preventive care or a doctor visit, and their illnesses became more severe. The costs end up being overly expensive in the emergency room, and each of us pays higher premiums and taxes to make up for those who don't pay. One health policy expert writes that "only with universality can we eliminate the practice of making patients with insurance pay the medical costs of those without it." In general, health policy experts agree that "cost control becomes easier when the plan is universal, not harder."

  Today, some low-wage workers go on welfare just to get health benefits. Universal coverage will put an end to this practice, reducing what we spend on welfare. One study suggests that universal coverage could reduce welfare cases by up to 25 percent.

- **Universal coverage is necessary to simplify the system.**

  Savings from simplifying and reducing the bureaucracy can't be realized without universal coverage. For example, a single claims form doesn't work unless everyone is in the system and following the same rules. And the simplicity and savings from a Health Security card won't happen unless everyone is guaranteed benefits that can never be taken away.

- **In a changing job market, people need security.**

  With American workers changing jobs so often they'll hold an average of eight jobs in a lifetime and more and more companies using temporary or part-time workers, we need universal coverage to make sure no one will ever lose their health insurance. Even if people are without insurance for just a few months, during that time, they are an illness or injury away from financial catastrophe.

COMPREHENSIVE BENEFITS

- **All Americans will be guaranteed comprehensive benefits that can never be taken away.**

  No insurance company will be able to drop people from coverage or deny them benefits when they get sick. No employer can decide to take away benefits. And no early retiree will see their benefits dropped. Americans will be guaranteed comprehensive benefits -- no matter what.

- **The comprehensive benefits package is as generous as that offered by most Fortune 500 companies.**

  Every American will receive a Health Security card that will guarantee a comprehensive package of benefits as generous as those offered by most Fortune 500 companies, including hospital services, laboratory services, hospice and home care, vision care, mental health care, and other services. The executive editor of the *New England Journal of Medicine*, Dr. Marcia Angell, calls the benefits "quite comprehensive" and says that "very few private insurance plans do as much."

- **"Lifetime limits" on coverage will be illegal.**

  Unlike current insurance, the plan places no lifetime limits on coverage and guarantees a full range of medically necessary or appropriate services.

- **Prescription drug coverage is included.**

  All Americans will have coverage for prescription drug costs under the Health Security Act. For people under age 65, individuals will pay either $5 per prescription or 20 percent of the cost after meeting a $250 per year deductible, depending on the health plan. For those on Medicare, 80% of the cost will be covered after a person reaches the $250 deductible. And annual out-of-pocket costs will be limited to $1,000 -- everything over that will be covered.

- **Preventive care is emphasized.**

  The benefits package goes beyond virtually all current insurance plans in covering preventive care. The New York Times says that "(a)mong the additions for many would be preventive care...Even the most generous of the Fortune 1,000 companies ...do not offer such coverage in fee-for-service insurance plans." A wide range of preventive services -- including annual physicals, well-baby care, immunizations, prenatal care, cholesterol screenings, mammograms, and Pap smears -- are covered in the comprehensive benefits package.

THE HEALTH SECURITY ACT BENEFITS PACKAGE

Comprehensive Coverage For Every American
No Lifetime Limits

- Clinical Preventive Services
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- Family Planning Services
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- Substance Abuse Treatment Services
- Services for Pregnant Women
- Children's Dental Care
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- Hospital
- Vision Care
- Hospice Care
- Surgical Services
- Extended Care Services
- Durable Medical Equipment (e.g. Prosthetic & Orthotic Devices)

CHOICE

- **Every American will be able to choose their doctor.**

Choice is the basis of the doctor-patient relationship, and it will be protected. The Health Security Act ensures that you will be able to follow your doctor and his or her team into any plan they might choose. Some of the nation's largest groups of providers -- including the American Nurses Association and American College of Physicians -- have said that the plan will protect people's choice of health providers.

- **Increased choice of health plans.**

Individuals will be able to choose their own health plan, not employers or insurance companies. Most people will have a choice of several different kinds of plans -- traditional fee-for-service plans, networks of doctors and hospitals, or health maintenance organizations (HMOs). And there will be at least one traditional fee-for-service plan available to everyone. One of the nation's leading doctors' groups -- the American College of Physicians -- says that "...the President's proposal increases the choices available to most Americans...(it) allows patients, not their employers, to choose their health plans and their physicians. And the legislation allows patients to stick with their plans and their physicians even through changes in employment."

- **Information to make informed choices.**

Consumers will be provided with easy-to-understand information about the quality of different health plans and whether other consumers have been satisfied. So health plans will be forced to compete on price, quality and service, and consumers will be empowered to choose high-quality plans. In addition, information about the risks and benefits of different treatments will become more available, so that patients and doctors can work together to decide on what is the appropriate treatment.

- **The plan will increase options for long-term care.**

The Health Security Act provides a new federal-state program to cover home and community-based care, a long-term care option that most people prefer, and that often costs less than a nursing home. The American Association of Retired Persons (AARP) has said "...the President's proposal will provide America's families with choices they don't have under the current system. It will provide the option to receive care where people most want to receive it, at home and in their community. People will no longer have to feel that going into a nursing home is the only choice they have."

WHAT CONSUMERS PAY

- **Premiums that are affordable.**

  Today, your premiums depend on many factors beyond your control: you're being charged more if you're sick, or older, or in a small company. This will change. Under the Health Security Act, your premiums will be predictable and easy to figure out. They will vary -- as they do today -- from plan to plan and state to state, but the system will be much simpler and much fairer. Everyone will pay the same price for the same plan -- no matter whether you are sick or healthy, whether you're old or young, whether you work for a small company or a large company. Your premium only depends on your family status (single, married couple, or family with children).

- **Employers pay most of the premium.**

  Employers will all contribute for their workers, covering 80% of the cost of an average-priced plan. Individual contributions will make up the difference -- if you choose an average-priced plan, you will pay 20% of the premium. If you choose a lower-priced plan, you will pay less. If you choose a higher cost plan, you will pay more. If your employer pays the entire cost of the premium -- as many do today and may continue to do after reform -- you will pay nothing at all.

- **Low co-payments and deductibles.**

  Co-payments -- the amount you pay out-of-pocket when you go to a doctor - will be limited and uniform, protecting you financially and making it easier to choose among health plans. Many of the plans that will be offered require just a small payment ($10) for each doctor's visit. Others will require a larger fee for each visit but you will never have to pay more than $1,500 for an individual and $3,000 for a family per year. For a wide range of preventive services, there will be no co-payments in any plan.

  Deductibles -- the amount you have to pay before your insurance kicks in -- are larger than $200 per person in almost half of today's plans and can be as high as $3,000. After reform, many plans will have no deductible at all. For the plans that do, deductibles will be $200 for an individual and $400 for a family.

- **Seven out of ten Americans will save.**

  The majority of people covered through their employers -- nearly 7 out of 10 Americans -- will pay the same or less for health benefits that are the same or better -- on average, saving $61 per month on premiums, co-payments, and deductibles. About 30% will pay more -- on average, about $24 per month -- but those people will receive benefits that can never be taken away, and for many, better benefits.

WHAT BUSINESSES PAY

Most of the funding for the Administration's health care reform proposals comes from the same place it does today -- premium payments by employers and individuals. The employer share is a fixed amount. Employers only need to know whether their employee is buying a single, couple, or family policy to know what they will pay.

Today, the employer for one of the workers in a family often pays to cover that workers' entire family. The President is now asking each employer to contribute, spreading cost among all employers. Under reform, no single employer will have to bear the burden of covering the entire family when both husband and wife work. Employers together will contribute 80% of the average premium for each family. Therefore, the employer pays 80% of the average premium, divided by the average number of workers per family in each alliance.

So, the employer share for families will actually be less than 80%. This will make things simpler for employers -- all they have to do is pay a fixed amount for each employee. They won't have to coordinate with other companies where their employees' spouses work, or suddenly change what they pay in the event of a spouse being laid-off.

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1.) Doesn't the Clinton plan add more layers of government bureaucracy?

No. The President specifically rejected a government-run system in favor of a system rooted in the private sector, and based on what we have today. People will choose their own private insurance policy from among those offered in their area. The plan will free doctors and consumers from today's avalanche of paperwork, and streamline the system. It will require insurance companies to use a single claim form, which will replace the hundreds of different forms from the 1500 different insurance companies. And it will give every American a Health Security card which will lead to electronic billing and less paperwork.

2.) I've watched those TV ads where the couple at the kitchen table asks: "What happens if the money runs out?" What does happen?

Let's get one thing straight. Their ad says that the government will limit health spending under the President's plan. Well, that's wrong -- the limit they don't like is on how much insurance companies can charge on premiums. Insurance companies that say they have to jack up rates aren't playing straight with you.

The President's plan relies on the most responsible financing possible and it includes safeguards to ensure that health care will always be there for every American. If a health plan were to literally run out of money, and that's unlikely because of the way the President's plan is designed, consumers would simply join another plan. Unlike today, though, benefits would be guaranteed.

3.) How do you pay for this whole reform plan anyway? Isn't it just "smoke and mirrors?"

Not at all. Here's how we pay for reform. All the employers and individuals that don't pay anything today for the cost of their health care will be asked to contribute. We will raise the tax on tobacco and ask large corporations that decide to cover their own employees to help pay for the cost of health care for everyone. At the same time, we're going to slow the skyrocketing growth of federal health programs and crack down on health care fraud with new penalties.

Many leading, private-sector economists -- even those who disagree with the policy the President decided on -- have looked at the financing of the plan and said that the numbers add up. The plan uses very conservative assumptions and includes a 15% cushion in case costs grow significantly more than expected. Although the plan raises some additional revenue, it avoids a broad-based tax because the President feels that we can get better value for the dollars we currently spend on health care.

4.) One of those TV ads says that the President's plan will limit my choice of doctor. Is that true?

No, it's not. You will be able to choose your own doctor. What you pay will depend on which plans your doctor joins. There will be a range of plans available at a range of prices and your doctor will be free to join a number of plans -- so the choice will always be yours.

In fact, our plan actually increases the choices most consumers will have. Every American will be able to choose from several different kinds of health plans, no matter where they work. And the choice will be theirs, not their employer's. And, every American will be able to switch plans every year if they're not satisfied with their care or service.

Remember, this is an ad paid for by the insurance companies -- who are trying to scare you and preserve their profits.

5.) Won't this plan mean that I'll pay more and get less?

No. For the majority of insured Americans -- nearly seven out of ten -- our plan will mean you will pay the same or less for health care benefits that are the same or better -- on average, saving $61 a month on premiums, co-payments, and deductibles. About three out of ten will pay more, on average about $24 per month, but they'll receive benefits that can never be taken away, and for many, better benefits.

6.) Won't your plan cause massive job loss, driving thousands of small businesses into bankruptcy?

Absolutely not. You're listening to a scare tactic from some of the lobbyists trying to guard the status quo.

These studies don't take into account the significant discounts that the President's plan offers small businesses. The very lobbyist who paid for the most commonly cited job loss study calls it "outdated" and not relevant to the President's plan. And an independent expert calls it "way off base." (CNN, 10/22/93, about an Employment Policies Institute study predicting 3.1 million jobs lost, cited in a GOP ad) The *Wall Street Journal* called the Clinton plan "an unexpected windfall" for small business.

There will, in fact, be some job gains as a result of the plan. Manufacturers will see their costs go down, and one study from the Economic Policy Institute predicts that means 258,000 manufacturing jobs created over the next decade. There will also be health care jobs created, with one health economist at the Brookings

Institution predicting that the plan will create 750,000 home health care jobs. And the Employee Benefit Research Institute predicts that the President's proposal could produce as many as 660,000 jobs.

7.) I've got good insurance. What's in this plan for me?

People who like their insurance today have a lot to gain from the Health Security Act. First -- and most important -- you'll get something that no amount of money can buy in today's insurance market: **security -- the guarantee that your benefits will never be taken away**. You'll also get more choices of doctors and plans than many people have today, and you'll finally stop losing wages just to keep the same health benefits. And you'll probably pay less for high-quality care. **The bottom line is this: you can't guarantee that the benefits you have today will still be there tomorrow. The Health Security Act provides you with that guarantee.**

8.) When you try to cut costs and limit the amount premiums can rise, won't that just lead to worse care and waiting on lines?

Not at all. Costs will be controlled by eliminating the waste and fraud in the current system -- not by cutting corners on consumers. Doctors, nurses, and hospitals tell us they can save a lot and give better care if the insurance company red tape will get out of their way. The main reason plans won't cut corners is because they know patients will be free to choose a new plan and leave them if they don't provide quality care.

9.) Won't the Clinton plan raise taxes on the middle class?

No. The President specifically rejected a broad-based tax because he thinks that middle class Americans are already paying too much for their health care. There is already plenty of money in the system -- the problem is that much of it is wasted. The money saved by eliminating the waste, fraud, and inefficiency that exists today will help all of us get better value for our health care dollar.

10.) What's this I hear about Medicare benefits being cut?

That's not true. Older Americans who receive Medicare will continue to receive all the benefits they do today. In addition, Medicare will be strengthened by adding prescription drug coverage. If you're on Medicare, you'll actually have more choices after reform. You can continue to receive care like you do today, or choose among different health plans that may offer fuller benefit packages and lower payments. Older Americans will also benefit from new long-term care options in their homes and communities, where they want to receive care.

The growth of Medicare costs can be slowed, however, with comprehensive health care reform. Medicare will no longer have to reimburse doctors and hospitals for the cost of caring for the uninsured, saving billions of dollars per year. With all employers contributing to health care, Medicare will also save on workers now covered by those programs. Upper-income people will pay a larger share of their Medicare Part B premium, and there will be a crackdown on the fraud and overcharges that drive up Medicare costs. These reforms will slow the growth of Medicare costs from three to two times the rate of inflation, and the savings will be rechannelled into new benefits for older Americans, like prescription drugs and long-term care.

Every Democratic and Republican proposal recognizes that with national health care reform, we can save money in the rate of growth in Medicare and Medicaid.

THE HEALTH SECURITY ACT OF 1993: A SUMMARY

The Clinton plan offers a system of guaranteed private insurance. It proposes to build on the current system of private insurance with two critical changes: first, the guarantee of comprehensive health benefits that can never be taken away; and second, greater consumer power for people and small businesses to choose quality health insurance at lower cost.

Our national goal is health security for every American -- comprehensive health benefits that can never be taken away. No limit on benefits over your lifetime. No refusal of insurance if you have a pre-existing condition. No losing your insurance if you get sick or lose your job. And no rate increases if you get sick.

Our principles are clear and distinguish our approach: Security -- comprehensive benefits that can never be taken away. Simplicity -- creating a single claim form to reduce paperwork and bureaucracy. Savings -- controlling health care costs. Quality -- making the worlds' best care better. Choice -- preserving your right to choose your doctor and expanding choice of private insurance plans. Responsibility -- every American assumes responsibility to bring an out-of-control system under control and put funding on a fair and responsible basis.

Real reform and real savings are possible only if health care benefits are guaranteed to every American. Without universal coverage, there's no guarantee we will be able to control costs and provide comprehensive benefits. For example, today, everyone of us pays a part of the $25 billion bill for health care for the uninsured; and a single claim form doesn't save money unless everyone is using it.

Comprehensive benefits include preventive care, prescription drugs, doctor visits, hospital services, home health care, hospice care, emergency care and ambulance services, mental health care, vision care, and dental care for children and eventually, for adults.

For seniors, the protection of Medicare remains with improvements -- new prescription drug coverage and a new long-term care program. Our health security plan will achieve real savings in Medicare and re-invest those savings to improve benefits.

For small business, our plan provides insurance discounts to help them afford comprehensive benefits for their employees. Most small businesses already provide health insurance to their employees but they're forced to pay as much as 50% more than larger companies. Our plan helps assure them the best benefits, controlling costs and expanding coverage.

If we fail to act:

- **Every American -- 100% -- can expect to pay higher insurance premiums nearly every year, with no guarantee of security, no guaranteed benefits, and no guarantee that insurance will be there when they need it.**

- **One of every four Americans will lose their insurance at some point in the next two years.**

- **Almost $1 out of every $5 Americans spend will go to health care.**

- **By the end of the decade, just to keep their benefits, American workers will sacrifice almost $600 in wages every year.**

- **Millions of Americans will find that rising costs will force their firms to cut back on benefits and limit choices of doctors and health plans.**

Our plan for health security is the most comprehensive and responsible, building on what works in our current system and fixing what doesn't. We maintain an essentially private system, streamlined and less bureaucratic than what we face today. And, we're demonstrating how that system will work -- from details on the benefit package and premiums to a firm explanation of the most responsible financing possible.

HOW THE PLAN WORKS

How Health Care Reform Will Affect You

- *Our national goal is health security* -- comprehensive health benefits guaranteed for every American.

- *How will the President's plan work?* The Clinton plan offers a system of guaranteed private insurance. It proposes to build on the current system of private insurance with two critical changes: first, the guarantee of comprehensive health benefits that can never be taken away; and second, greater consumer power (for people and small businesses) to choose quality health insurance at lower cost.

- *How will you get health insurance?* The way most Americans do today, through your employer. If you're employed, you'll choose your health plan at work, and your employer will make a contribution to help pay. If you're unemployed or self-employed, you'll sign up by mail or telephone. Every American citizen and legal resident will receive a Health Security card that will protect you from ever losing your coverage -- no matter what.

- *Your Health Security card* guarantees you comprehensive benefits that can never be taken away -- benefits as comprehensive as those most Fortune 500 companies offer: doctor and hospital care, prescription drugs, and something rarely found in today's insurance plans -- preventive care, including prenatal care, immunizations, and disease screening for adults, such as mammograms, Pap smears, and cholesterol tests. And there will be no lifetime limits on benefits.

- *You choose your doctor and your health plan.* Every American will have a choice of health plans -- and plans will enroll everyone who applies, regardless of age, occupation or medical history. You will be able to follow your doctor into a traditional fee-for-service plan, a network of doctors and hospitals, or a health maintenance organization (HMO). For older Americans, Medicare will be preserved and strengthened with new coverage of prescription drugs. And there will be expanded options for home and community-based long-term care.

- *Informed choices strengthen consumers.* Easy-to-understand "report cards" on health plans -- the doctors and hospitals involved, the quality of care, consumer satisfaction, prices, and other factors -- will help you make smart choices. Once a year, consumers will have a chance to choose a new plan, something most people can't do today.

- *It's easy to get care.* Once you've picked a plan, if you need to go to the doctor for a check-up or if you get sick, you'll simply take your Health Security card, show it at the doctor's office, and they'll take care of you. Then you'll fill out one standard form, and you're done. So when you get sick, you won't be buried in forms -- and neither will your doctor or hospital.

WHY UNIVERSAL COVERAGE IS IMPORTANT

- **We must guarantee health security -- no matter what.**

  Real health security means comprehensive health benefits that can never be taken away -- that is possible only with universal coverage. We need to be able to say to people who work hard and play by the rules that they will never lose their insurance. If you lose your job. If you start a small business. If you get sick. If your child gets sick. No matter what -- you're covered. It's time to give the American people freedom from the fear that they could lose their health coverage and be denied care when they or their children need it most.

- **Universal coverage is essential to controlling costs.**

  Without universal coverage, too many will continue to get care from emergency rooms instead of doctors' offices -- because they couldn't afford preventive care or a doctor visit, and their illnesses became more severe. The costs end up being overly expensive in the emergency room, and each of us pays higher premiums and taxes to make up for those who don't pay. One health policy expert writes that "only with universality can we eliminate the practice of making patients with insurance pay the medical costs of those without it." In general, health policy experts agree that "cost control becomes easier when the plan is universal, not harder."

  Today, some low-wage workers go on welfare just to get health benefits. Universal coverage will put an end to this practice, reducing what we spend on welfare. One study suggests that universal coverage could reduce welfare cases by up to 25 percent.

- **Universal coverage is necessary to simplify the system.**

  Savings from simplifying and reducing the bureaucracy can't be realized without universal coverage. For example, a single claims form doesn't work unless everyone is in the system and following the same rules. And the simplicity and savings from a Health Security card won't happen unless everyone is guaranteed benefits that can never be taken away.

- **In a changing job market, people need security.**

  With American workers changing jobs so often they'll hold an average of eight jobs in a lifetime and more and more companies using temporary or part-time workers, we need universal coverage to make sure no one will ever lose their health insurance. Even if people are without insurance for just a few months, during that time, they are an illness or injury away from financial catastrophe.

COMPREHENSIVE BENEFITS

- **All Americans will be guaranteed comprehensive benefits that can never be taken away.**

  No insurance company will be able to drop people from coverage or deny them benefits when they get sick. No employer can decide to take away benefits. And no early retiree will see their benefits dropped. Americans will be guaranteed comprehensive benefits -- no matter what.

- **The comprehensive benefits package is as generous as that offered by most Fortune 500 companies.**

  Every American will receive a Health Security card that will guarantee a comprehensive package of benefits as generous as those offered by most Fortune 500 companies, including hospital services, laboratory services, hospice and home care, vision care, mental health care, and other services. The executive editor of the *New England Journal of Medicine*, Dr. Marcia Angell, calls the benefits "quite comprehensive" and says that "very few private insurance plans do as much."

- **"Lifetime limits" on coverage will be illegal.**

  Unlike current insurance, the plan places no lifetime limits on coverage and guarantees a full range of medically necessary or appropriate services.

- **Prescription drug coverage is included.**

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No. For the majority of insured Americans -- nearly seven out of ten -- our plan will mean you will pay the same or less for health care benefits that are the same or better -- on average, saving $61 a month on premiums, co-payments, and deductibles. About three out of ten will pay more, on average about $24 per month, but they'll receive benefits that can never be taken away, and for many, better benefits.

6.) Won't your plan cause massive job loss, driving thousands of small businesses into bankruptcy?

Absolutely not. You're listening to a scare tactic from some of the lobbyists trying to guard the status quo.

These studies don't take into account the significant discounts that the President's plan offers small businesses. The very lobbyist who paid for the most commonly cited job loss study calls it "outdated" and not relevant to the President's plan. And an independent expert calls it "way off base." (CNN, 10/22/93, about an Employment Policies Institute study predicting 3.1 million jobs lost, cited in a GOP ad) The *Wall Street Journal* called the Clinton plan "an unexpected windfall" for small business.

There will, in fact, be some job gains as a result of the plan. Manufacturers will see their costs go down, and one study from the Economic Policy Institute predicts that means 258,000 manufacturing jobs created over the next decade. There will also be health care jobs created, with one health economist at the Brookings

Institution predicting that the plan will create 750,000 home health care jobs. And the Employee Benefit Research Institute predicts that the President's proposal could produce as many as 660,000 jobs.

7.) I've got good insurance. What's in this plan for me?

People who like their insurance today have a lot to gain from the Health Security Act. First -- and most important -- you'll get something that no amount of money can buy in today's insurance market: **security -- the guarantee that your benefits will never be taken away**. You'll also get more choices of doctors and plans than many people have today, and you'll finally stop losing wages just to keep the same health benefits. And you'll probably pay less for high-quality care. **The bottom line is this: you can't guarantee that the benefits you have today will still be there tomorrow. The Health Security Act provides you with that guarantee.**

8.) When you try to cut costs and limit the amount premiums can rise, won't that just lead to worse care and waiting on lines?

Not at all. Costs will be controlled by eliminating the waste and fraud in the current system -- not by cutting corners on consumers. Doctors, nurses, and hospitals tell us they can save a lot and give better care if the insurance company red tape will get out of their way. The main reason plans won't cut corners is because they know patients will be free to choose a new plan and leave them if they don't provide quality care.

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No. The President specifically rejected a broad-based tax because he thinks that middle class Americans are already paying too much for their health care. There is already plenty of money in the system -- the problem is that much of it is wasted. The money saved by eliminating the waste, fraud, and inefficiency that exists today will help all of us get better value for our health care dollar.

10.) What's this I hear about Medicare benefits being cut?

That's not true. Older Americans who receive Medicare will continue to receive all the benefits they do today. In addition, Medicare will be strengthened by adding prescription drug coverage. If you're on Medicare, you'll actually have more choices after reform. You can continue to receive care like you do today, or choose among different health plans that may offer fuller benefit packages and lower payments. Older Americans will also benefit from new long-term care options in their homes and communities, where they want to receive care.

The growth of Medicare costs can be slowed, however, with comprehensive health care reform. Medicare will no longer have to reimburse doctors and hospitals for the cost of caring for the uninsured, saving billions of dollars per year. With all employers contributing to health care, Medicare will also save on workers now covered by those programs. Upper-income people will pay a larger share of their Medicare Part B premium, and there will be a crackdown on the fraud and overcharges that drive up Medicare costs. These reforms will slow the growth of Medicare costs from three to two times the rate of inflation, and the savings will be rechannelled into new benefits for older Americans, like prescription drugs and long-term care.

Every Democratic and Republican proposal recognizes that with national health care reform, we can save money in the rate of growth in Medicare and Medicaid.

Q: I've got a good job with good insurance. Why should I support reform?

That's an excellent question. There are many people in your position who are lucky enough to have good coverage -- but know that they have no guarantee that they will have that same, good coverage at this time next year.

What's Happening Today

Let's look at what's happening to people's health insurance today. Right now, insurance companies are raising premiums every year. Businesses -- faced with rising costs -- are responding by forcing employees into managed care, cutting your benefits, increasing what you have to pay for insurance, or dropping your coverage altogether. Whichever way you cut it, you're the one getting squeezed.

Insurance Company Control

The problem is this: Insurance companies have too much control over your health care. They pick and choose whom they cover. They charge you more if you're older. And they drop you when you get sick.

They're constantly coming up with new ways to deny you the benefits you need. If you're sick or had a past illness, they'll single you out and refuse you coverage for that "preexisting condition." 81 million Americans have a preexisting condition which may cause them to pay more or be denied coverage. And hidden in the fine print of three out of four insurance policies are "lifetime limits" -- which cancel your insurance when your bills run too high.

If you get sick or have a past illness...if you own or work in a small business or are self-employed...if you switch jobs or lose your job...you could find yourself denied coverage or have insurance priced out of your reach at any time.

So today, you're at the mercy of the insurance companies. The President's approach reduces insurance company control over the system, and gives people and small businesses the choices and the power to get high-quality care at an affordable cost.

That's the context of this debate. But I understand the bottom line is: you've got good insurance now -- what do you personally stand to gain from reform?

What You'll Gain From Reform

Guaranteed Security. You'll get comprehensive benefits that can never be taken away -- no matter what. No employer or insurance company will be able to take away your benefits -- because they will be guaranteed in law. If you lose your job, you're covered. If you switch jobs, you're covered. If you start a small business, you're covered.

Lifetime limits in insurance policies will be illegal, and it will be illegal to drop you when you get sick. Your health care will always be there.

Guaranteed Affordability. Rest assured that insurance will be affordable for you and your family. Because first of all, there will be a limit on how much insurance companies can raise your premiums year to year. Second, your employer or insurance company will never be able to make you pay more than 20% of the average-cost health plan where you live. And your employer can continue to pay 100% of the cost of your insurance if they so choose.

Increased Wages. Middle-class wages have been stagnant for 20 years, in no small part because workers have had to trade wage increases just to keep good benefits. With guaranteed benefits, that will change, and workers will have their first chance at wage increases in years. In fact, the Congressional Budget Office (CBO) analysis says definitively that "the proposal would increase the cash wages of U.S. workers . . ."

Increased Choices. In today's system, your choices are dictated by your employer or insurance company. Your boss usually picks your plan, and your plan often limits what doctors you can see. Under reform, you have your choice of doctor and health plan -- just like members of Congress do. The law will require that there be at least one traditional "fee-for-service" plan -- where you have unlimited choice of doctor -- in every region of the country. And all health plans -- even HMOs -- must give you the option of seeing doctors outside the plan, even if you have to pay a slightly higher copay and deductible to do so.

The overall effect of reform on American families was best described by CBO Director Reischauer after completing the most comprehensive analysis of our proposal to date:
"The Clinton plan, when compared to today's system, would cost average Americans less money, give them more health benefits and more choice of physicians and medical care, [Reischauer] said." [Washington Post, 2/9/94]

That is why middle-class American families like yours -- even those with good insurance -- stand to gain from reform. You'll see a "surprisingly simple" world, according to the Washington Post. You'll get comprehensive benefits at an affordable price -- and something that no amount of today's money can buy. The peace of mind that comes with knowing that your health coverage can never be taken away -- no matter what.

MAR 15 1993

THE HEALTH SECURITY ACT OF 1993: A SUMMARY

The Clinton plan offers a system of guaranteed private insurance. It proposes to build on the current system of private insurance with two critical changes: first, the guarantee of comprehensive health benefits that can never be taken away; and second, greater consumer power for people and small businesses to choose quality health insurance at lower cost.

Our national goal is health security for every American -- comprehensive health benefits that can never be taken away. No limit on benefits over your lifetime. No refusal of insurance if you have a pre-existing condition. No losing your insurance if you get sick or lose your job. And no rate increases if you get sick.

Our principles are clear and distinguish our approach: Security -- comprehensive benefits that can never be taken away. Simplicity -- creating a single claim form to reduce paperwork and bureaucracy. Savings -- controlling health care costs. Quality -- making the worlds' best care better. Choice -- preserving your right to choose your doctor and expanding choice of private insurance plans. Responsibility -- every American assumes responsibility to bring an out-of-control system under control and put funding on a fair and responsible basis.

Real reform and real savings are possible only if health care benefits are guaranteed to every American. Without universal coverage, there's no guarantee we will be able to control costs and provide comprehensive benefits. For example, today, everyone of us pays a part of the $25 billion bill for health care for the uninsured; and a single claim form doesn't save money unless everyone is using it.

Comprehensive benefits include preventive care, prescription drugs, doctor visits, hospital services, home health care, hospice care, emergency care and ambulance services, mental health care, vision care, and dental care for children and eventually, for adults.

For seniors, the protection of Medicare remains with improvements -- new prescription drug coverage and a new long-term care program. Our health security plan will achieve real savings in Medicare and re-invest those savings to improve benefits.

For small business, our plan provides insurance discounts to help them afford comprehensive benefits for their employees. Most small businesses already provide health insurance to their employees but they're forced to pay as much as 50% more than larger companies. Our plan helps assure them the best benefits, controlling costs and expanding coverage.

If we fail to act:

- **Every American -- 100% -- can expect to pay higher insurance premiums nearly every year, with no guarantee of security, no guaranteed benefits, and no guarantee that insurance will be there when they need it.**

- **One of every four Americans will lose their insurance at some point in the next two years.**

- **Almost $1 out of every $5 Americans spend will go to health care.**

- **By the end of the decade, just to keep their benefits, American workers will sacrifice almost $600 in wages every year.**

- **Millions of Americans will find that rising costs will force their firms to cut back on benefits and limit choices of doctors and health plans.**

Our plan for health security is the most comprehensive and responsible, building on what works in our current system and fixing what doesn't. We maintain an essentially private system, streamlined and less bureaucratic than what we face today. And, we're demonstrating how that system will work -- from details on the benefit package and premiums to a firm explanation of the most responsible financing possible.

HOW THE PLAN WORKS

How Health Care Reform Will Affect You

- *Our national goal is health security* -- comprehensive health benefits guaranteed for every American.

- *How will the President's plan work?* The Clinton plan offers a system of guaranteed private insurance. It proposes to build on the current system of private insurance with two critical changes: first, the guarantee of comprehensive health benefits that can never be taken away; and second, greater consumer power (for people and small businesses) to choose quality health insurance at lower cost.

- *How will you get health insurance?* The way most Americans do today, through your employer. If you're employed, you'll choose your health plan at work, and your employer will make a contribution to help pay. If you're unemployed or self-employed, you'll sign up by mail or telephone. Every American citizen and legal resident will receive a Health Security card that will protect you from ever losing your coverage -- no matter what.

- *Your Health Security card* guarantees you comprehensive benefits that can never be taken away -- benefits as comprehensive as those most Fortune 500 companies offer: doctor and hospital care, prescription drugs, and something rarely found in today's insurance plans -- preventive care, including prenatal care, immunizations, and disease screening for adults, such as mammograms, Pap smears, and cholesterol tests. And there will be no lifetime limits on benefits.

- *You choose your doctor and your health plan.* Every American will have a choice of health plans -- and plans will enroll everyone who applies, regardless of age, occupation or medical history. You will be able to follow your doctor into a traditional fee-for-service plan, a network of doctors and hospitals, or a health maintenance organization (HMO). For older Americans, Medicare will be preserved and strengthened with new coverage of prescription drugs. And there will be expanded options for home and community-based long-term care.

- *Informed choices strengthen consumers.* Easy-to-understand "report cards" on health plans -- the doctors and hospitals involved, the quality of care, consumer satisfaction, prices, and other factors -- will help you make smart choices. Once a year, consumers will have a chance to choose a new plan, something most people can't do today.

- *It's easy to get care.* Once you've picked a plan, if you need to go to the doctor for a check-up or if you get sick, you'll simply take your Health Security card, show it at the doctor's office, and they'll take care of you. Then you'll fill out one standard form, and you're done. So when you get sick, you won't be buried in forms -- and neither will your doctor or hospital.

WHY UNIVERSAL COVERAGE IS IMPORTANT

- **We must guarantee health security -- no matter what.**

  Real health security means comprehensive health benefits that can never be taken away -- that is possible only with universal coverage. We need to be able to say to people who work hard and play by the rules that they will never lose their insurance. If you lose your job. If you start a small business. If you get sick. If your child gets sick. No matter what -- you're covered. It's time to give the American people freedom from the fear that they could lose their health coverage and be denied care when they or their children need it most.

- **Universal coverage is essential to controlling costs.**

  Without universal coverage, too many will continue to get care from emergency rooms instead of doctors' offices -- because they couldn't afford preventive care or a doctor visit, and their illnesses became more severe. The costs end up being overly expensive in the emergency room, and each of us pays higher premiums and taxes to make up for those who don't pay. One health policy expert writes that "only with universality can we eliminate the practice of making patients with insurance pay the medical costs of those without it." In general, health policy experts agree that "cost control becomes easier when the plan is universal, not harder."

  Today, some low-wage workers go on welfare just to get health benefits. Universal coverage will put an end to this practice, reducing what we spend on welfare. One study suggests that universal coverage could reduce welfare cases by up to 25 percent.

- **Universal coverage is necessary to simplify the system.**

  Savings from simplifying and reducing the bureaucracy can't be realized without universal coverage. For example, a single claims form doesn't work unless everyone is in the system and following the same rules. And the simplicity and savings from a Health Security card won't happen unless everyone is guaranteed benefits that can never be taken away.

- **In a changing job market, people need security.**

  With American workers changing jobs so often they'll hold an average of eight jobs in a lifetime and more and more companies using temporary or part-time workers, we need universal coverage to make sure no one will ever lose their health insurance. Even if people are without insurance for just a few months, during that time, they are an illness or injury away from financial catastrophe.

COMPREHENSIVE BENEFITS

- **All Americans will be guaranteed comprehensive benefits that can never be taken away.**

  No insurance company will be able to drop people from coverage or deny them benefits when they get sick. No employer can decide to take away benefits. And no early retiree will see their benefits dropped. Americans will be guaranteed comprehensive benefits -- no matter what.

- **The comprehensive benefits package is as generous as that offered by most Fortune 500 companies.**

  Every American will receive a Health Security card that will guarantee a comprehensive package of benefits as generous as those offered by most Fortune 500 companies, including hospital services, laboratory services, hospice and home care, vision care, mental health care, and other services. The executive editor of the *New England Journal of Medicine*, Dr. Marcia Angell, calls the benefits "quite comprehensive" and says that "very few private insurance plans do as much."

- **"Lifetime limits" on coverage will be illegal.**

  Unlike current insurance, the plan places no lifetime limits on coverage and guarantees a full range of medically necessary or appropriate services.

- **Prescription drug coverage is included.**

  All Americans will have coverage for prescription drug costs under the Health Security Act. For people under age 65, individuals will pay either $5 per prescription or 20 percent of the cost after meeting a $250 per year deductible, depending on the health plan. For those on Medicare, 80% of the cost will be covered after a person reaches the $250 deductible. And annual out-of-pocket costs will be limited to $1,000 -- everything over that will be covered.

- **Preventive care is emphasized.**

  The benefits package goes beyond virtually all current insurance plans in covering preventive care. The New York Times says that "(a)mong the additions for many would be preventive care...Even the most generous of the Fortune 1,000 companies ...do not offer such coverage in fee-for-service insurance plans." A wide range of preventive services -- including annual physicals, well-baby care, immunizations, prenatal care, cholesterol screenings, mammograms, and Pap smears -- are covered in the comprehensive benefits package.

THE HEALTH SECURITY ACT BENEFITS PACKAGE

Comprehensive Coverage For Every American
No Lifetime Limits

- Clinical Preventive Services
- Outpatient Rehabilitation
- Family Planning Services
- Mental Health Treatment
- Substance Abuse Treatment Services
- Services for Pregnant Women
- Children's Dental Care
- Home Health Care
- Laboratory, Radiology, & Diagnostic Services
- Ambulance Services
- Emergency Care
- Prescription Drugs
- Doctor Visits
- Hospital
- Vision Care
- Hospice Care
- Surgical Services
- Extended Care Services
- Durable Medical Equipment (e.g. Prosthetic & Orthotic Devices)

CHOICE

- **Every American will be able to choose their doctor.**

  Choice is the basis of the doctor-patient relationship, and it will be protected. The Health Security Act ensures that you will be able to follow your doctor and his or her team into any plan they might choose. Some of the nation's largest groups of providers -- including the American Nurses Association and American College of Physicians -- have said that the plan will protect people's choice of health providers.

- **Increased choice of health plans.**

  Individuals will be able to choose their own health plan, not employers or insurance companies. Most people will have a choice of several different kinds of plans -- traditional fee-for-service plans, networks of doctors and hospitals, or health maintenance organizations (HMOs). And there will be at least one traditional fee-for-service plan available to everyone. One of the nation's leading doctors' groups -- the American College of Physicians -- says that "...the President's proposal increases the choices available to most Americans...(it) allows patients, not their employers, to choose their health plans and their physicians. And the legislation allows patients to stick with their plans and their physicians even through changes in employment."

- **Information to make informed choices.**

  Consumers will be provided with easy-to-understand information about the quality of different health plans and whether other consumers have been satisfied. So health plans will be forced to compete on price, quality and service, and consumers will be empowered to choose high-quality plans. In addition, information about the risks and benefits of different treatments will become more available, so that patients and doctors can work together to decide on what is the appropriate treatment.

- **The plan will increase options for long-term care.**

  The Health Security Act provides a new federal-state program to cover home and community-based care, a long-term care option that most people prefer, and that often costs less than a nursing home. The American Association of Retired Persons (AARP) has said "...the President's proposal will provide America's families with choices they don't have under the current system. It will provide the option to receive care where people most want to receive it, at home and in their community. People will no longer have to feel that going into a nursing home is the only choice they have."

WHAT CONSUMERS PAY

- **Premiums that are affordable.**

  Today, your premiums depend on many factors beyond your control: you're being charged more if you're sick, or older, or in a small company. This will change. Under the Health Security Act, your premiums will be predictable and easy to figure out. They will vary -- as they do today -- from plan to plan and state to state, but the system will be much simpler and much fairer. Everyone will pay the same price for the same plan -- no matter whether you are sick or healthy, whether you're old or young, whether you work for a small company or a large company. Your premium only depends on your family status (single, married couple, or family with children).

- **Employers pay most of the premium.**

  Employers will all contribute for their workers, covering 80% of the cost of an average-priced plan. Individual contributions will make up the difference -- if you choose an average-priced plan, you will pay 20% of the premium. If you choose a lower-priced plan, you will pay less. If you choose a higher cost plan, you will pay more. If your employer pays the entire cost of the premium -- as many do today and may continue to do after reform -- you will pay nothing at all.

- **Low co-payments and deductibles.**

  Co-payments -- the amount you pay out-of-pocket when you go to a doctor - will be limited and uniform, protecting you financially and making it easier to choose among health plans. Many of the plans that will be offered require just a small payment ($10) for each doctor's visit. Others will require a larger fee for each visit but you will never have to pay more than $1,500 for an individual and $3,000 for a family per year. For a wide range of preventive services, there will be no co-payments in any plan.

  Deductibles -- the amount you have to pay before your insurance kicks in -- are larger than $200 per person in almost half of today's plans and can be as high as $3,000. After reform, many plans will have no deductible at all. For the plans that do, deductibles will be $200 for an individual and $400 for a family.

- **Seven out of ten Americans will save.**

  The majority of people covered through their employers -- nearly 7 out of 10 Americans -- will pay the same or less for health benefits that are the same or better -- on average, saving $61 per month on premiums, co-payments, and deductibles. About 30% will pay more -- on average, about $24 per month -- but those people will receive benefits that can never be taken away, and for many, better benefits.

WHAT BUSINESSES PAY

Most of the funding for the Administration's health care reform proposals comes from the same place it does today -- premium payments by employers and individuals. The employer share is a fixed amount. Employers only need to know whether their employee is buying a single, couple, or family policy to know what they will pay.

Today, the employer for one of the workers in a family often pays to cover that workers' entire family. The President is now asking each employer to contribute, spreading cost among all employers. Under reform, no single employer will have to bear the burden of covering the entire family when both husband and wife work. Employers together will contribute 80% of the average premium for each family. Therefore, the employer pays 80% of the average premium, divided by the average number of workers per family in each alliance.

So, the employer share for families will actually be <u>less</u> than 80%. This will make things simpler for employers -- all they have to do is pay a fixed amount for each employee. They won't have to coordinate with other companies where their employees' spouses work, or suddenly change what they pay in the event of a spouse being laid-off.

Policy Type	Employer Share*
Two-parent family w/children	$2,479
Single parent	$2,479
Couple	$2,125
Single person	$1,546

* 1994 Preliminary Estimates, Will Vary from State to State

GENERAL Q&A

1.) Doesn't the Clinton plan add more layers of government bureaucracy?

No. The President specifically rejected a government-run system in favor of a system rooted in the private sector, and based on what we have today. People will choose their own private insurance policy from among those offered in their area. The plan will free doctors and consumers from today's avalanche of paperwork, and streamline the system. It will require insurance companies to use a single claim form, which will replace the hundreds of different forms from the 1500 different insurance companies. And it will give every American a Health Security card which will lead to electronic billing and less paperwork.

2.) I've watched those TV ads where the couple at the kitchen table asks: "What happens if the money runs out?" What does happen?

Let's get one thing straight. Their ad says that the government will limit health spending under the President's plan. Well, that's wrong -- the limit they don't like is on how much insurance companies can charge on premiums. Insurance companies that say they have to jack up rates aren't playing straight with you.

The President's plan relies on the most responsible financing possible and it includes safeguards to ensure that health care will always be there for every American. If a health plan were to literally run out of money, and that's unlikely because of the way the President's plan is designed, consumers would simply join another plan. Unlike today, though, benefits would be guaranteed.

3.) How do you pay for this whole reform plan anyway? Isn't it just "smoke and mirrors?"

Not at all. Here's how we pay for reform. All the employers and individuals that don't pay anything today for the cost of their health care will be asked to contribute. We will raise the tax on tobacco and ask large corporations that decide to cover their own employees to help pay for the cost of health care for everyone. At the same time, we're going to slow the skyrocketing growth of federal health programs and crack down on health care fraud with new penalties.

Many leading, private-sector economists -- even those who disagree with the policy the President decided on -- have looked at the financing of the plan and said that the numbers add up. The plan uses very conservative assumptions and includes a 15% cushion in case costs grow significantly more than expected. Although the plan raises some additional revenue, it avoids a broad-based tax because the President feels that we can get better value for the dollars we currently spend on health care.

4.) One of those TV ads says that the President's plan will limit my choice of doctor. Is that true?

No, it's not. You will be able to choose your own doctor. What you pay will depend on which plans your doctor joins. There will be a range of plans available at a range of prices and your doctor will be free to join a number of plans -- so the choice will always be yours.

In fact, our plan actually increases the choices most consumers will have. Every American will be able to choose from several different kinds of health plans, no matter where they work. And the choice will be theirs, not their employer's. And, every American will be able to switch plans every year if they're not satisfied with their care or service.

Remember, this is an ad paid for by the insurance companies -- who are trying to scare you and preserve their profits.

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What's Happening Today

Let's look at what's happening to people's health insurance today. Right now, insurance companies are raising premiums every year. Businesses -- faced with rising costs -- are responding by forcing employees into managed care, cutting your benefits, increasing what you have to pay for insurance, or dropping your coverage altogether. Whichever way you cut it, you're the one getting squeezed.

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If you get sick or have a past illness...if you own or work in a small business or are self-employed...if you switch jobs or lose your job...you could find yourself denied coverage or have insurance priced out of your reach at any time.

So today, you're at the mercy of the insurance companies. The President's approach reduces insurance company control over the system, and gives people and small businesses the choices and the power to get high-quality care at an affordable cost.

That's the context of this debate. But I understand the bottom line is: you've got good insurance now -- what do you personally stand to gain from reform?

What You'll Gain From Reform

Guaranteed Security. You'll get comprehensive benefits that can never be taken away -- no matter what. No employer or insurance company will be able to take away your benefits -- because they will be guaranteed in law. If you lose your job, you're covered. If you switch jobs, you're covered. If you start a small business, you're covered.

Lifetime limits in insurance policies will be illegal, and it will be illegal to drop you when you get sick. Your health care will always be there.

Guaranteed Affordability. Rest assured that insurance will be affordable for you and your family. Because first of all, there will be a limit on how much insurance companies can raise your premiums year to year. Second, your employer or insurance company will never be able to make you pay more than 20% of the average-cost health plan where you live. And your employer can continue to pay 100% of the cost of your insurance if they so choose.

Increased Wages. Middle-class wages have been stagnant for 20 years, in no small part because workers have had to trade wage increases just to keep good benefits. With guaranteed benefits, that will change, and workers will have their first chance at wage increases in years. In fact, the Congressional Budget Office (CBO) analysis says definitively that "the proposal would increase the cash wages of U.S. workers . . ."

Increased Choices. In today's system, your choices are dictated by your employer or insurance company. Your boss usually picks your plan, and your plan often limits what doctors you can see. Under reform, you have your choice of doctor and health plan -- just like members of Congress do. The law will require that there be at least one traditional "fee-for-service" plan -- where you have unlimited choice of doctor -- in every region of the country. And all health plans -- even HMOs -- must give you the option of seeing doctors outside the plan, even if you have to pay a slightly higher copay and deductible to do so.

The overall effect of reform on American families was best described by CBO Director Reischauer after completing the most comprehensive analysis of our proposal to date:
"The Clinton plan, when compared to today's system, would cost average Americans less money, give them more health benefits and more choice of physicians and medical care, [Reischauer] said." [Washington Post, 2/9/94]

That is why middle-class American families like yours -- even those with good insurance -- stand to gain from reform. You'll see a "surprisingly simple" world, according to the Washington Post. You'll get comprehensive benefits at an affordable price -- and something that no amount of today's money can buy. The peace of mind that comes with knowing that your health coverage can never be taken away -- no matter what.

Clinton Presidential Records
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This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

Managed Care /
Insurer Fdback

Divider Title: _____

To: Alexis Herman

From: Walter Zelman

RE: Feedback from the Managed Care/Insurer Community

INTRO:

A few weeks ago I was asked by Mike Lux to serve as an outreach person to the managed care and insurer communities.

Over the past few weeks I have had discussions with many representatives of that community.

These discussions involved no "negotiations." The purpose was to improve information flow in both directions.

Summarized below is information I gleaned from those conversations. Included also are thoughts on some options.

No effort has been made here, other than in the recommendations section, to evaluate the merits of the positions expressed.

ORGANIZATIONS WITH WHICH DISCUSSIONS HAVE BEEN HELD

Health Insurance Assn. of America (HIAA)
"The Big Five," represented by Bill Oldaker
US Health Care
Lynn Etheredge (no affiliation, works with Jackson Hole Group)
Blue Cross/Blue Shield
Group Health Assn of America (trade assn. of HMO's)
Kaiser Permanente
Group Health of Pugit Sound
Health Care Leadership Council (Employers, insurers) Michael Berman
American Managed Care and Review Assn (AMCRA)
Prudential
Health Insurance Plan of NY (HIP)
Professional Insurance Agents
Health Partners (Minnesota HMO)
Cigna
American Assn of Preferred Provider Organizations (AAPPO)
The HMO Group (mostly staff and group model HMO')

SUMMARY OF MAJOR CONCERNS

These organizations express a wide variety of views regarding the Administration's proposal and health reform in general. However, at least within the managed care universe one concern is paramount: managed care organizations fear that specific elements of the Administration's proposal will fundamentally undermine their ability to "manage care" and reduce costs by dramatically reducing their ability to control their contractual relationships with providers.

Specifically they are very concerned about provisions relating to:

- the requirement that they offer a "point of service" plan and the structure of cost sharing in that point of service plan
- the requirement that they contract with and/or reimburse "essential community providers"
- the requirement that they contract with and/or reimburse academic health centers.

The extent of their concerns appears to be very real. In some cases those concerns turn potential strong supporters into potential opponents.

OVERVIEW: Degree of Support for Administration Proposals

The level of support these organizations offer or might offer ranges across a wide spectrum.

Ranked from highest to lowest levels support or agreement with Administration recommendations.

1. Individual HMO's (Group Health, Health Partners, HIP, Kaiser, etc.)
2. Associations of HMO's: GHAA, The HMO Group
3. Preferred Provider Organizations: US Health Care, AAPPO
4. Some large insurers invested heavily in managed care: Including Aetna, MET.
5. Blue Cross/Blue Shield, CIGNA, Prudential
6. Traditional indemnity insurers: HIAA

Groups listed under categories 1-3 seem significantly closer to the Administration with respect to:

- Community Rating
- Alliance Structures
- Insurance Reform

CONCERNS COMMON TO ALL

1. Budgets

- While a few entities show an understanding of the problem, virtually all oppose a budget as proposed by the Administration, for all the usual reasons. A number (Health Partners, Minn.) emphasize that budgets would restrict the willingness of managed care entities to invest in prevention. Such investments, they argue, may take a few years to pay off. Others argue that the proposed budget would reduce access to capital, especially for smaller or newly forming organizations, giving large insurers a major market advantage, and reducing the ability of new networks to emerge.

- Some in the HMO community seem open to budget concepts. Alternatives suggested include: using GDP rather than CPI, and using a five year rolling average.

- Others seem open to accepting a budget as a target, to kick in if the target is not met. Still others (big five) suggest limiting a budget definition to spending on federal programs --subsidies, Medicaid, Medicare. They suggest government should not be concerned about what individuals want to spend. (This approach tends to lead to a tax cap approach favored by big five, and Jackson Hole supporters).

- Many, if not most, oppose a budget in almost any meaningful form.

- Many suggest that the proposed budget is not winning the Administration support from employers. Theoretically, employers should endorse a cap on health care spending, which in turn enables the government to cap required employer spending. But distrust of government is so great that (according to these sources at least) employers would prefer to trust the market.

2. Fee schedules

- All oppose the provision that the alliance establish a fee schedule. But many do not understand, or have not focused on, the relationship between the fee schedule, balanced billing, the budget, competition on price, etc.. Their opposition to the fee schedule is more ideological than anything else. (Which makes it no less intense).

- Group Health Assn (GHAA) supports the ban on balanced

billing. Most haven't focused on it.

- As alternatives to a fee schedule some suggest we rely on disclosure ("buyer beware, you may be charged more"). Others seem willing to accept some minimum requirements in terms of a "usual and customary" schedule. (E.g., a the alliance does not have to offer a plan that doesn't pay at least 80% of a state or regional "usual and customary" fee schedule).

- Another alternative some might accept would be to require indemnity insurers to provide a fee schedule that can be measured against some standard. The alliance could then calculate expected out-of-pocket costs.

- Overall, most of these organizations aren't concerned about the lack of a fee schedule or the existence of balanced billing because they see no need to limit -- and may not wish to limit-- the cost of fee for service. In short, they don't want to help fee-for-service, and think the market will kill it over time.

- In fact, some managed care plans see the fee schedule and ban on balanced billing as "saving" fee for service. If left to compete without an imposed rate, they argue, fee-for-service premiums would be higher and consumers would still need to fear balanced billing. (In fact, the removal of balanced billing may push fee-for-service premiums up, as full payment to physicians will have to be reflected in the premium, rather than in the premium plus some balanced billing).

3. Alliances

- All argue that the alliance as too powerful, too regulatory and as having too large a market share. (Some of this opposition is based on misconceptions of the actual authority given alliances).

  Beyond these general concerns, views on alliances differ markedly --see below.

4. Anti-trust

- All are concerned that the doctors may have been given too much. They are very concerned about the "camel's nose under the tent" on this issue.

MAJOR CONCERNS OF MANAGED CARE ORGANIZATIONS

1. Point of Service

- Managed care organizations oppose any requirement that all HMO's offer a POS option. They believe this carries the drive for "choice" too far, and undermines the ability of an HMO to maintain quality, enforce protocols, and manage care in general. Some argue that this requirement will be especially burdensome on smaller HMOs.

- Some might accept a requirement to offer a point of service option, but find the Administration's definition of the POS option unacceptable. They fear that cost-sharing in the POS option will be no greater than in indemnity plans (i.e. the same deductible and the same 20% co-payment). In addition, there is no deductible --even when going out of network-- on certain preventive care services. Smart consumers, they fear, can then enroll in HMO's and get the best of both worlds --low cost-sharing whenever they want it (in network, and even out of network for some services) and indemnity plan cost sharing if they choose to go out of network.

  HMO's believe there must be a stiff penalty for going out of network. They would want an out-of-network deductible of more than $200. They would provide no reimbursement for preventive care services delivered out of network. They would want out of network co-insurance to be more than 20%.

  Currently, most POS options have about 30% cost sharing, and a deductible of at least $300. HMO's usually pay nothing for preventive care services delivered out of network. Managed care organizations believe the POS option should be an outlet for rare usage, not something to be undertaken routinely.

  A worst case fear: a woman becomes pregnant, goes out of network for pre-natal care (no deductible or co-payment applies on these services) then comes in network for delivering her child. The HMO has had no control over the course of pregnancy, but is responsible for any complications.

  Many HMO's want to offer a POS product. They feel it is an effective means of getting people to move from fee-for-service to managed care plans. But they fear a POS product as described in the administration plan would force them to price such a product too high,

reducing or eliminating its value.

Because of the high cost-sharing, most POS products now offered by HMO's can be priced below traditional HMO plans. A POS plan structured on HSA lines would, they argue, force significant increases in premiums of between 10-30%).

2. Essential Community Providers

- For most managed care organizations this has become more important than the POS issue.

- It is feared that this provision could undermine the ability of an organization to manage care, control utilization, enforce protocols, contract with providers whose practice patterns and approaches are compatible with the managed care entity, and control costs.

- The amendment accepted in the Stark draft increased these fears. Many now believe the essential provider provision could soon turn into an "any willing provider" provision as all kinds of providers try to get themselves identified as "essential."

- All express no objection to the goal of providing quality service to vulnerable, underserved, and/or low-income populations. But they want to have the opportunity to demonstrate they can provide such service without losing power or control over those with whom they contract.

- Many appear willing to accept a considerable burden of proof with regard to their offering quality care -- including culturally sensitive care-- to vulnerable populations. But they don't want to have to guarantee business to providers over whom they have little or no control.

3. Academic Health Centers

- Objections here are very similar to those voiced with regard to Essential Community Providers.

- Many (e.g., Kaiser) argue that they have invested heavily in improving their capacity to perform certain high-cost procedures. They do not want their enrolles going elsewhere --and costing more-- when they are equally capable of performing the service.

- They make the same argument with regard to preventive care services. They see no reason to have to pay

university hospital charges for delivering preventive and primary care services. The fact that these preventive services come with no cost-sharing aggravates the problem.

4. Any Willing Provider Provisions

- These organizations approve of the Administration's proposal to pre-empt state laws allowing any provider to contract with a network.

- They have great fears that the administration or Members of Congress will yield to providers here.

- They believe that all kinds of providers --including many allied professional groups such as chiropractors, acupuncturists, etc. --are now attempting to use the essential provider clause to gain guaranteed access to health plans. The broad essential provider amendment passed in the Stark subcommittee is fueling these fears.

5. Tax Status Issues

- Some HMO's fear that operation of a POS product that amounts to more than 10% of their business will lead to their classification as "insurers" and, according to current IRS guidelines, to loss of their tax-empt status.

- (Note: this problem is more easily fixed than concerns 1-4 above).

OTHER ISSUES

1. Alliances

- Multiple Alliances: Most recognize the problems with multiple alliances and are not pushing for these. Blue Cross/Blue Shield and agents groups are the exceptions here.

- Mandatory or Voluntary Alliances: Some HMO's (including GHAA) support mandatory alliances in the small group market (50-200); some of these organizations seem more supportive of voluntary alliances along the lines of the Dingell proposal, in which an employer can purchase directly from an insurer or through an alliance. Prudential and Cigna also support mandatory alliances (Cooper type) in the small group market).

HMO's might want a provision that an employer purchasing outside an alliance must offer the, or a, low cost plan.

Agents strongly oppose a mandatory alliance of any size. Since much of the business they write is for groups of under 100, they view any mandatory alliance as a major threat.

- Employer size cut-offs for purchasing in or out of an alliance: Cut-off points are between 50 and 250. One suspects the 50 is usually a starting bargaining point, with the goal being 100. No one advocates cut-off points of over 250.

- Limitation on plans competing: All want no restrictions on who can compete, obviously fearing an alliance with too much influence.

2. Community rating/self insurance:

- HMO's offer more support for community rating and for a ban on self-insurance for employers of 500-1000 employees. Others believe community rating should stop at the cut-off for the alliance (100-250). But even indemnity plans claim to be open to community rating (as they define it) up to 500-1000 providing self-insurance is banned for those groups.

- There is general agreement that self-insurance and experience rating should go together; once self-insurance is allowed, experience rating should be allowed, so as to enable health plans to compete for business of groups that might self-insure.

- HMO's are more supportive of full community rating. Insurers are more likely to want at least age adjustment. HIAA wants age, sex, group size, maybe more --just a ban on "experience."

3. Employer/Employee Choice

- HMO's mostly favor employee choice. Big five tend to favor employee choice, but only in the small group market (100 or less).

- Agents, Blue Cross/Blue Shield, indemnity plans want more employer choice, and a weaker alliance.

4. Employer Mandate:

- Some (Blue Cross/Blue Shield, Group Health Pugit Sound) support it. Some (Cigna) outrightly oppose it, fearing that a mandate will be followed by regulation. Others (Prudential) oppose it less vigorously. Most HMO's are basically neutral.

- Most seem reluctant to embrace it because doing so would appear self-serving and might arouse the opposition of their clients or the business community in general (of which they consider themselves a part).

- It would appear likely that most of these organizations have no firm opposition to a mandate. They are simply constrained from supporting it.

- Prudential suggests that a mandate with a trigger would get more support: i.e., have a mandate take effect if targets aren't met.

5. Medicaid:

- Most do not address it as a primary concern. Some suggestions: leave out SSI for a while at least; make sure that costs of Medicaid are spread to non-alliance participants

6. Tax Deductibility of Health Insurance

- Most of these groups express from modest to strong support for a tax cap of some kind. Major carriers (big five) Blue Cross/Blue Shield are particularly supportive of a cap.

- The tax cap concept gets stronger support from those who want more reliance on "competition" and less reliance on "regulation." In many ways it is viewed as an alternative to more regulatory cost-containment approaches.

  Blue Cross/Blue Shield propose a tax cap at the average cost plan. Group Health Pugit Sound suggests a sliding tax cap with higher income individuals paying more.

7. Benefits

- The question of what services to provide does not seem to be a major issue. Major concerns are point-of-service and cost-sharing issues.

- Some (Health Care Leadership Council) have less faith

in complete standardization, and want health plans to be able to offer more variety in cost sharing services. They would still support a standard, but allow many variations from it.

- Some HMO's want to be able to offer a high cost-sharing product, with deductibles or co-payments of those in fee-for-service plans. They believe such a product would enable them to more clearly demonstrate the true differences in price between HMO's and fee-for-service.

  Under current law, federally-qualified HMO's could not offer the high cost-sharing option because they are barred from imposing deductibles. A change in the HMO act could solve this issue if it seemed appropriate.

- Some managed care organizations report that they might wish to offer a higher cost-sharing product that did not entail deductibles: I.e, cost sharing of no deductible and a $20 or $25 co-pay. Another alternative suggested is a $200 deductible and a $20-25 co-pay, with preventive care excluded from both. The HSA does not allow for such a cost-sharing approach. It has some appeal in that it would lower premiums, and increase consumer cost-consciousness. However, it would also reduce the value of standardization.

8. Guarantee Funds:

- A number of HMO's/PPO's have objections to these provisions. They argue that since the Act guarantees that individuals will always have coverage, the main need for a guarantee fund is to protect providers. But their contracts with providers stipulate that those providers will not bill plan members if the health plan fails to pay the providers. Thus, the guarantee provision gives back to providers a guarantee they have been willing to give up. Additionally, these entities argue, as plans get more "integrated" providers should be more committed to plans and more at risk for them. The higher the level of integration the less the appropriateness of guaranteeing providers they will be paid.

- Thus, some HMO's, Kaiser most notably, believe HMO's should be exempt from guarantee fund provisions, except perhaps for paying providers with whom they have no contract. They believe guarantee funds will only increase their costs and premiums.

Solvency/Capital Standards Issues

- Some HMO's argue that their assets are in buildings, equipment, providers, etc.. They believe capital, reserve, and other solvency requirements should recognize these assets. Their means of guaranteeing that care will be paid for are other than cash. (Section 1551 would appear to allow the National Board the flexibility to deal with this concern).

- PPO's are concerned about the provision that health plans must bear risk. They argue that PPO networks often contract with an employer or insurer who bear the risk. The plan does not.

Unitary Pricing of Pharmaceuticals

- Most object to the provision that a drug manufacturer must offer the same price to each wholesaler or retailer that purchases the drugs on substantially the same terms. Managed care providers believe they can negotiate better terms with drug manufacturers for reasons that go beyond volume discounts and that do not end up cost-shifting to other purchasers. (I.e, they think they can reduce costs via management techniques such as prescriber education. They believe they should be encouraged to do so). They view this provision as a costly giveaway to the retail pharmacists.

SOME OPTIONS

Many managed care provider organizations express goals very close to those outlined in the HSA. If some adjustments are made they might become significant supporters of the Administration.

While public concerns regarding HMO's may compel restraint in trumpeting the support of managed care groups, such support might still be of great value. In the aggregate, these entities deliver care to close to 50% of the population. HMO's deliver care to about 25%. Many of these organizations are well-established and have solid relationships with Members.

Some of the following adjustments might be critical to producing more support in the "health plan" community, and amongst managed care groups in particular. These potential "adjustments" are not offered as recommendations.

1. Point of Service

The Administration points to POS as a critical element in guaranteeing maximum choice to enrolles. But the right to choose would not be dramatically undermined if cost-sharing in POS plans was raised to make it greater than cost-sharing in fee-for-service.

- Continue to require HMO's to offer a POS option (perhaps with some exceptions to be granted under limited circumstances).

- Specify that co-insurance out-of-network would be at least 25%, and that the out-of-network deductible be at least $250.

- Require that enrolles pay full cost for preventive services delivered out-of-network. **Or**, at least make these services subject to the deductible and co-insurance when delivered out of network.

Such adjustments would not significantly undermine the Administration's promise of maximum choice. They would probably result in lower POS premiums, and therefore, lower cost options for all.

Moreover, if these adjustments are not made, HMO POS plans may be priced very high. In today's market, these plans are growing in popularity, and encouraging more individuals to accept some managed care. If these products are forced up in price, managed care and integrated health systems, in general, will win fewer converts, and be less able to assist in reducing health care costs.

2. Tax treatment of HMO's offering POS plans.

Not-for-profit managed care plans fear that if their POS option amounts to a significant amount of business they might be classified as an "insurer" and lose their tax-exempt status.

- There would seem to no significant roadblock to clearing up this problem. What would be required, it appears, is statutory language or an IRS ruling stipulating that tax exempt status is not lost as the result of a requirement on an HMO to offer a POS option. Obviously, some technical tax issues may be involved here.

3. Essential Community Providers

This issue, in combination with the academic health center

issue, may prove to be the toughest issue to resolve. There would appear to be legitimate arguments on both sides. There is a need to protect individuals now serviced by potential "essential providers" and there may also be grounds to protect those providers. However, there is also a danger that too much protection for these individuals and providers could undermine managed care, and increased integration and efficiency in health plans.

Potential compromises in this issue area might include provisions that:

- Place significant burdens on health plans to demonstrate that they can and are adequately servicing specified vulnerable populations but do not demand that those plans contract with or reimburse any particular set of providers.

- Add to the above requirements the assumption that in order to adequately service given communities health plans would need to contract with or reimburse some providers who would qualify for "essential provider" status. (I.e., plans would have to contract with or reimburse some essential providers, unless they could clearly demonstrate that they were meeting community needs without doing so).

- Require that health plans contract with some essential providers --perhaps for a period of years. The amount of such contracts would have to meet some threshold -- e.g., 20% of expenditures in areas designated as having high numbers of traditionally underserved individuals. But do not require that plans contract with or reimburse all essential providers or any particular essential provider.

- Require all health plans, including self-insuring employers to pay a small percentage of premiums to the state or to an alliance for reimbursement of essential community providers. (Such a payment could be justified on the grounds that to the extent individuals were utilizing these providers costs to those plans and employers would be reduced).

  Such a solution would not guarantee that essential community providers had business. But it would guarantee that they would be reimbursed if individuals chose to use them. It would not require health plans to contract with them.

4. Academic Health Centers

Concerns about contracts with and payments to academic health centers are similar to concerns about essential providers and point of service. Some potential compromises include:

- Give the state the authority to force plans to reimburse or contract with AHC's, but do not require plans to do so at the outset. I.e, allow some time to see if such a requirement is really necessary.

- Add language indicating that --especially with regard to high-tech, unusual procedures-- health plans must provide the highest possible quality care, which may require contracting with an AHC or other center of excellence.

- Use other funding sources (premium surcharge, etc.) to support the teaching and research elements of AHC's, including compensating them for the higher costs of providing care: but, beyond that, force them to compete on a level playing field.

5. Benefits, Cost-sharing

Under the federal HMO Act, federally qualified HMO's could not offer the HSA's high cost-sharing schedule because they could not impose a deductible. If it was thought desirable to allow HMO's to offer a cost-sharing plan comparable to fee-for-service, and if we wished to maintain as much standardization as possible, the easiest adjustment would be:

- Allowing HMO's to offer a high cost sharing option. To do so the HMO Act would have to be amended to allow HMO's to charge a deductible. Additionally, HMO's might have to be allowed to charge a co-payment of $20-25 rather than co-insurance of 20%. (Most HMO's simply do not have price schedules and a 20% co-pay would require them to adopt a entirely new price structure).

  As in the current high cost-sharing option, preventive care services would still be excluded from all cost-sharing.

- An alternative would be to allow HMO's to charge a higher co-payment (e.g. $20-25) but no deductible. Such an alternative might have some logic and merit, but would do more to complicate the standardization scheme.

(NOTE: SUCH CHANGES WOULD EFFECT PREMIUM COSTS, REDUCING

PREMIUMS FOR SOME PLANS. UNDER SUCH A CHANGE THE LOWEST COST PLANS WOULD ALMOST CERTAINLY BE THOSE WITH HIGHER COST SHARING. THIS POTENTIAL CHANGE WOULD NEED TO EVALUATED TO ASSESS ITS POTENTIAL IMPACT ON SUBSIDY COSTS. COSTS TO EMPLOYERS SHOULD DECLINE --AS MORE COSTS ARE PASSED TO INDIVIDUALS). NET COSTS TO THE FEDERAL GOVERNMENT WOULD HAVE TO BE EVALUATED).

6. Alliances, Community Rating Cut-offs

Views on this issue vary greatly. No one proposal emerges.

Several of these organizations support a mandatory alliance. But there may be two related trade-offs here: first, the ability to win support for a single mandatory alliance decreases as the cut-off number increases; second, support for or creation of a mandatory alliance may lead to a reduction in the numbers of employers subjected to community rating. The ultimate trade-off, then, may be between mandatory alliances and community rating. A voluntary alliance may offer a greater chance of getting community rating imposed a larger number of employers.

Alliance supporters, therefore, may ultimately face two general options:

1. A mandatory alliance a cut-off of 100. Experience rating allowed above the 100 cut-off. (I.e., if the alliance is mandatory, pressure will be greater to minimize its market share: employers of over 100 may have to left out). Theoretically community rating could still be in effect for employers of up to 500 or 1000; but, in practice, that may be another matter.

2. A voluntary alliance, as in Dingell, in which employers of up to 1000 may purchase community rated policies directly, or through an alliance.

The suggested "trade-off," admittedly is based more on perceptions than on policy imperatives. The more the appearance that the overall scheme is voluntary, the more the potential to impose some other requirement.

Overall, with the obvious exception of HIAA and perhaps Blue Cross/Blue Shield, most of the health plan community would probably find the following acceptable. (Note: No recommendation intended).

- A voluntary alliance proposal similar to the Dingell proposal, perhaps with community rating and the immediate option of purchasing through the alliance going only to groups of 250 or 500 rather than 1000.

- A requirement that employers purchasing directly from insurers --outside an alliance-- be required to offer employees a, or the, low-cost plan.

- A ban on self insurance below the cut-off, and allowance of experience rating over the cut-off.

- A ban on employers combining to create an entity that would make them larger than the employer cut-off and thus able to self-insure or get an experience rate. (Most haven't focused on this point, but the logic of their positions leads to this). Agents might disagree here.

OTHER ISSUES THAT MIGHT BE REVIEWED

1. Solvency and capital issues, see discussion above

2. Guarantee fund issues, see discussion above.

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Physicians'
Outreach

Divider Title: _____

March 30, 1994

MEMORANDUM FOR DISTRIBUTION

FROM: Debbie Fine

SUBJECT: Physicians Outreach

As requested, following is a breakdown of who is doing which piece of the physicans outreach as I understood it at the meeting last week:

Academic Health Centers, Deans of Medical Colleges, VIP doctors, etc.: Walter Zellman

State Medical Societies: Marilyn Yager

National Health Policy Council: Simone Rueschemeyer

Individual Doctors: Individual Doctors will be referred to the NHPC

Groups: Marilyn Yager and HHS

Lynn and Ira will continue to coordinate on strategy, as will Mike Lux and Debbie Fine. Arnold Bennett will continue to work on the message piece.

As we move along, there will be situations where outreach efforts overlap, and it seems that this can be dealt with on a case-by-case basis. (For example, does an FOB go to NHPC or Walter?) Simone will be calling weekly or bi-weekly meetings to convene all those who are involved in physicians outreach to coordinate on strategy, upcoming events, and any problems identified.

DISTRIBUTION:

OPL Staff	Walter Zellman
War Room Staff	Lynn Margherio
Greg Lawler	Heather Booth
Melanne Verveer	Ira Magaziner
Simone Rueschemeyer	Arnold Bennett

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Women's
Health Wk.

Divider Title: _____

THE WHITE HOUSE

WASHINGTON

April 5, 1994

APR - 5 1994

TO: Harold Ickes, Ricki Seidman, and Greg Lawler

FROM: Marilyn Yager

RE: POTUS Speech to the American Academy of Family Physicians Meeting

---

I want to add my strong recommendation to the attached scheduling request for the President to address the American Academy of Family Physicians on Friday, April 15 in Kansas City.

Having meet with the leadership of most of our supportive physicians groups during the past week, it is clear to me that they are feeling demoralized. In some cases it is because they are inexperienced with sustaining an issue campaign for this length of time, in other cases it is concern about changes in the health care plan that differ with issues which triggered their initial support (i.e, primary care versus specialists).

The family physicians are one of only a couple physician's groups whose support extended beyond their Washington office into active membership support of the President's health plan. However, scheduling Administration speaker problems last year around their meetings, and more recently our highly publicized efforts to woo the academic health community, among other things, have resulted in a series of disappointments.

The next two months are going to be an especially critical time with regard to generating physician support in key communities across the country, especially if we hope these physicians will take the time to come to Washington to make their support known.

It is my belief that a speech by President in middle America to family physicians about choice, primary care, and simplification in system, will provide the necessary boost to our physician supporters for the weeks ahead.

Schedule Proposal **3/28/94**

___ ACCEPT ___ REGRET ___ PENDING

TO:	Ricki Seidman Assistant Secretary to the President and Director of Scheduling and Advance
FROM:	Mike Lux
REQUEST:	Speech to the American Academy of Family Physicians (AAFP) State Officers' Conference.
PURPOSE:	To thank AAFP for their support and to mobilize their leadership and state chapters to step up activity during the remaining critical weeks.
BACKGROUND:	The AAFP is our strongest supporting physicians group. Despite a lot of pressure from the AMA for their support, they have remained pretty firmly committed to their position. They participated in the December event with supportive physicians groups and AAFP members (including their President) attended the providers event on South Lawn. They are also a member organization of the Health Care Reform Project. (The coalition that Rockefeller started.) The First Lady has met with them. Attending the conference will be 350 members of the AAFP elected and staff leadership and its 54 constituent chapters from around the country. This is particularly important because we were unable to send a senior level speaker to their convention last year, which was very upsetting to them.
DATE AND TIME:	Friday April 15th preferred; time is flexible. (Conference runs Friday April 15th, 8:00AM to Sunday April 17th, 10:15AM)
DURATION:	45 minutes.
LOCATION:	Hyatt Regency Crown Center Hotel; Kansas City, Missouri.
REMARKS REQUIRED:	Speech to be provided by speechwriters.
MEDIA COVERAGE:	Open to the press.

March 14, 1994

MEMORANDUM TO ALEXIS

FROM: DORIS

RE: SCHEDULING REQUEST FOR HRC

Attached is a Scheduling Request for HRC's participation in the Health Care State Opinion Leader Briefing. I thought we should put some paper into the system. Melanne indicated to me that we just have to tie down dates and times. For the first briefings next week, we would like to request March 23 and March 24; approximate time for HRC participation about 3:30 PM.

We envision a tour from 1:00 - 2:00, following by a briefing in the Diplomatic Reception Room from 2:00 - 4:00. There will be four briefers, with the First Lady ideally being the last one.

Has our room with equipment (phones, fax, computers, desks, chairs, etc.) been approved? If we have briefings next week, we must begin to make invitation calls now. What do we need to do to finalize the room?

Schedule Proposal 3/14/94

_____ACCEPT _____REGRET _____PENDING

TO:	Patti Solis Special Assistant to the President Director of Scheduling for First Lady
FROM:	Alexis Herman Assistant to the President Director of Public Liaison
REQUEST:	First Lady participate in state opinion leaders events regarding Health Care
PURPOSE:	To build regional support for Health Care Plan
BACKGROUND:	The opinion leaders model was successfully utilized in promoting the economic plan as well as NAFTA. Opinion leaders are invited from various regions throughout the country and briefed on the health care plan. These briefings give us the opportunity to present our case to the people outside the beltway.
PREVIOUS PARTICIPATION:	None
DATE AND TIME:	Twice a week beginning the week of March 21 for twelve consecutive weeks.(Request March 23 and 24 for the first week). Entire briefing from 2:00 - 4:00; First Lady's participation requested for 3:30 PM.
DURATION:	1/2 hour
LOCATION:	Diplomatic Reception Room
PARTICIPANTS:	State and community opinion leaders Cabinet and administration briefers
REMARKS REQUIRED:	Brief speech on health care, tailored to state
MEDIA COVERAGE:	No

AMH

(YES)

M E M O R A N D U M

TO: Alexis Herman

FROM: Janice Enright

DATE: 7 April 1994

RE: Womens' health week

Alexis, attached is a self-explanatory memorandum from Christine Heenan. Any chance of any of this happening?

4/6 4m
for CH

MEMORANDUM FOR JEFF ELLER
Julia Moffett
Harold Ickes
Greg Lawler
Doris Matsui
Mike Lux
Melanne Verveer
Bob Boorstin

DATE: March 22, 1994

FROM: Christine Heenan

SUBJECT: Scheduling Proposal for Women's Health Week

Women represent a powerful constituency in the health care debate. They are the primary health care decision makers in the family, and as such think more and care more about the impacts of reform. (Note: approximately 80% of the letter-writers are women. Women are more likely to be uninsured, more likely to go without necessary medical care, more likely to both provide and receive long-term care. Therefore, women have a lot to gain from our approach. I think we could generate increased support from women by focusing a week of events (or at least a few days) on women and women's health issues, similar to the Seniors Week. There are a lot of different angles on this issue, and many supportive groups we could count on for help.

RATIONALE:

1. It gives us the opportunity to highlight the powerful women's groups supportive of our approach.

The League of Women Voters, The Campaign for Women's Health, and other women's health and women's issues coalitions are predisposed toward a single-payer system, but have indicated strong support for the President's plan.

Planned Parenthood, NARAL, and other pro-choice groups are also supportive and willing to work with us on women's-focused events. Their interest and focus goes beyond the issue of abortion coverage.

American Medical Women's Association, American Nurses Association, American College of Obstetricians and Gynecologists, and the Emergency Nurses are among the supportive provider groups that are dominated by women or that serve primarily women.

2. It gives us the opportunity to educate women about positive aspects of the plan, and to address misperceptions about the plan with regard to coverage for women.

Most women (and many women legislators and women's interest groups) misunderstand the mammogram coverage in the plan. We need to correct the misimpression that mammogram coverage is only offered for women over 50.

Coverage of preventive health and prescription drugs is particularly important to women, and polling indicates it is a very popular aspect of the plan.

From professional to informal caregivers, long-term care is overwhelmingly a women's issue, and one that also helps with other important constituencies (seniors and disabilities groups).

Medical research is an important indicator of high quality medicine, and our plan includes new funds invested into women's health research.

3. A women's health focus dovetails nicely with the new presentation

Guaranteed Private Insurance - Women are more likely than men to be without insurance, and therefore will be disproportionate gainers under universal coverage.

Choice - Women overwhelmingly make the choices about physicians and health plans for families; choice is very important to women.

Protect Medicare - A much higher percentage of women live to old age than do men, and women live longer than men. Long-term care is most needed by women, and most often provided by women.

Outlaw Unfair Insurance Practices - As the caretakers of family insurance policies, the specter of lifetime limits and pre-existing condition exclusions is understood by women. Pregnancy is also often labeled a "pre-existing condition" in today's insurance market, and many policies have separate maternity deductibles. This is a good audience for an insurance reform message.

Guaranteed Coverage at Work - Women are more likely than men to be employed in part-time jobs, the service industry, or clerical jobs that don't come with insurance. Also, women and children that are dependents of a worker are increasingly being dropped, as employers pare back from providing coverage for families to coverage for the worker only. CDF did a recent study on this.

4. A women's focus fits with our legislative strategy

Several of the targeted members are women. The confusion over our mammogram coverage has also undermined what should be a strong block of support from the Women's Caucus.

POSSIBLE ACTIVITIES/ EVENTS:

A Women's Health Rally: Large outdoor rally focusing on women's health. Ideally the President and First Lady would both speak, like yesterday in Miami. I know there would be a fear this would degenerate into a pro-choice rally, but I think the pro-choice groups would be willing to participate in a broader event focusing on women's health and comprehensive benefits overall.

Cabinet Activities: The Administration has a number of very powerful female spokespersons for health care reform, in addition to Mrs. Clinton and Mrs. Gore, we could schedule women's health events for Secretary Shalala, Dr. Elders, Carol Rasco, General Reno, Secretary O'Leary, etc.

Briefing for Women's Magazines - Mrs. Clinton and/or Mrs. Gore could conduct editorial briefings focusing on the importance of health reform for women. If this were in April, presumably it could appear in the August or September issues.

Quality/Choice Event - It is possible to quantify the positive impact on women's health from annual clinical visits and free pre-natal care. Supportive provider groups could host an event releasing the results of positive studies showing how this plan will improve women's health.

Mothers and Children Event - This event could focus on the importance of family coverage through the workplace. It could illustrate the numbers of families dropped from employer policies in the wake of rising costs, and how our reform would reverse that trend and provide security for working families.

Congressional Spouses Event: A briefing (or lunch or something) could be hosted at the White House for Congressional Spouses, focusing on Women's health. *(Andie King, Gov. Celeste and I did a briefing for them at Piny Point, and they wanted to get more involved. I think we should definitely take advantage of that.)*

Meeting with Women Legislators: The President could host a meeting with women senators and congresswomen, talking about women's health. We could have a similar (or combined) meeting with the leaders of women's groups.

Prevention Event: We could do an event at a pre-natal clinic or a Healthy Start center, focusing on a "good-news" story on the positive effects of preventive care. A number of states have similar programs already in effect-- we could choose a state based on our targeting list or to reward a supportive governor.

"Sandwich Generation" Heroes Event: Similar to the "Small Business Heroes" event today, we could invite women caring for both children and aging parents to talk about the need for home-based long-term care. *This issue effects huge numbers of women.*

Letters Events: An overwhelming majority of the people who wrote us letters are women. We could therefore pick a certain type of letter writer focus (i.e. working women without insurance, women excluded due to pre-existing conditions, etc.) and build an event around the focus.

TIMING:

It would be ideal to structure this around the week culminating in Mother's Day. That week (5/1) is apparently National Family Week, and Mother's Day would be a great opportunity for a women's health event. See attached list, which is an initial cut of already-existing events.

Please let me know what you think.

Possible Days of Interest:

4/28 National YWCA Week
4/28 National Convention of American Mothers, Inc. (Woodland Hills, CA)
5/1 National Family Week
5/7 Mothers Day
5/8 Universal Family Week
5/10 Infant Mortality Awareness Day
6/8 American Heroine Rewarded

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Apr-1994 08:44pm

TO: Janice A. Enright

FROM: Christine M. Heenan
Domestic Policy Council

SUBJECT: RE: womens health week

The majority of the feedback has been: "good memo!" but nothing has really happened yet.

Actually Mike Lux has said we will do a constituency day on women the week of May 1, which I think is the ideal time to do the whole week (Mother's Day ends that week).

Janice I feel so strongly about this, especially since Stan's most recent polling memo indicates support from women has been dropping. Any help in making this happen would be great. As I've told Mike, I'm happy to do the work on it.

Thanks a lot.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Apr-1994 08:08pm

TO: Christine M. Heenan

FROM: Janice A. Enright
Office of the Chief of Staff

SUBJECT: womens health week

Christine, any follow up to your 22 March proposal regarding Womens' Health Week? I'd like to help, if you need me. If not, I'd like to attend some of the meetings. Thanks. J.

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DRAFT PRINTED: April 21, 1994 15:54

SAMPLE SCHEDULING PLANNING CALENDAR (FOR WEEK OF 24 APRIL)

SELECTED EVENT CATEGORIES

DATE	POTUS	MAJOR NEWS	LEGISLATIVE	POLITICAL	MAJOR PUBLIC	NSC/FOREIGN	MAJOR CABINET	VP/HRC/MEG
SUN 4/24	- OFF		HC: Full House committee action expected this week?		- Newspaper Ass.of Amer.(thru 4/27) - Natl Acad of Pediatrics (thru 4/27) - Natl Acad of Sciences (thru 4/26)	RABIN VISITS MOSCOW	Bentsen: G7 mtgs J.Brown: San Antonio, TX	HRC: San Francisco?
MON 4/25	- HEALTH CARE Detroit, MI	NBC "Jobs & the Economy" (thru 4/29)	HC: House Energy & Comm markup? HC: Senate Finance ~~markup~~?		- United Negro College Fund-50th ann	European Finance Ministers mtg - Luxembourg	L.Brown: IL-Eastern Ill Reno: SFO-AP Conf Babbitt: TN Espy: Pascagoula,MS	HRC: Los Angeles? VP:Health Care/NJ VP: Lowey event/NYC VP: Lieberman event/CT
TUE 4/26	- HEALTH CARE (TBD)		~~House meets at 10:30 am~~	- Pa AFL/CIO Convention Pittsburg (thru 4/28) - Mosley-Braun/LA fundraiser?			Espy: Pascagoula,MS Perry: Idaho (thru 4/48) L.Brown: Chicago-Ill. Leg. O'Leary: Portland-Gov.Roberts O'Leary:Wash.-Indian Nations	MEG: Minneapolis?
WED 4/27	- BILL SIGNING: SCHOOL TO WORK?			DNC FR - DC	- National Secretaries Day - NCOA - Business/Education Forum	SOUTH (thru 4/28) AFRICAN ELECTIONS	O'Leary: Pasco, WA-Hanford Babbitt: Lake Tahoe,CA L.Brown: IL legislators - Economic Cluster Lunch	VP: DNC FR - DC
THU 4/28	- NCOA EVENT (T) - Presidential Design Awards - Take our Daughters to Work? - Gov Dean Fundraiser? - Realtor's event?	Take Our Daughters to Work Day	~~House meets at 2:00 pm~~	L.Eckels fundraiser? Howard Dean FR - DC	- National Minority Aids Council - "Mother of the Year" Awards - Realtor's Convention		GDP STATS RELEASED Babbitt: Manhattan,KS O'Leary: travel day	
FRI 4/29	- NATIVE AMERICANS - Health Care Regional Media - Tourism/Travel mtg?	- Arbor Day - LA Riots (1992) - Vietnam Withdrawal (1975)	~~House meets at 11:00 am - No Legislative Business~~	- National Conference of Black Mayors (thru 4/31)			O'Leary: Oakridge,TN O'Leary:Nashville,TN - Cabinet mtg w/Tribal ldrs	MEG: TN (thru 5/2)
SAT 4/30	- Radio Address?						Shalala: Geneva,Switzerland Pena: Omaha,NE-Jef/Jack Din. O'Leary:Nashville,TN-Fisk U. R.Brown:Miami,FL Cisneros: VA L.Brown: New Orleans NCBM-Cisneros,Espy,R.Brown	VP:TN?

• Canada/US Goodwill Week	KEY POLICY HIGHLIGHTS FOR WEEK	HEALTH CARE "Employer Responsibility Week"?	CRIME House Bill passage?	WELFARE Kickoff week?	EDUCATION/OTHER School to Work signing?	NEC/ECONOMY GDP STATS: 1Q94?	NSC/FOREIGN POLICY Bosnia?

SAMPLE SCHEDULING PLANNING CALENDAR (FOR WEEK OF 01 MAY)

SELECTED EVENT CATEGORIES

DATE	POTUS	MAJOR NEWS	LEGISLATIVE	POLITICAL	MAJOR PUBLIC	NSC/FOREIGN	MAJOR CABINET	VP/HRC/MEG
SUN 5/1		AMTRAK smoking ban begins	HC: Full-committee Senate activity.		- Pharmaceutical Mfg Ass (thru 5/3)		Shalala: Geneva (thru 5/5)WHO Espy: Chicago-NASDA/FMI Reno: Detroit-NAACP	
MON 5/2				DCCC - Huntsville,Atlanta DNC Gala-NYC			Reich: VT-Int video Espy: Phoenix-Millers' Reno: Detroit-Econ club L.Brown: MO-ADPA	VP: DCCC Huntsville/Atlanta HRC: State Opinion Leaders MEG: TN-HC
TUE 5/3	CNN World Cont. Conf. Atlanta, GA?	Natl Teacher Day		Indiana, North Carolina, Ohio Primaries	- AARP ANNUAL CONVENTION - National Teacher Day	Japan: Natl Holiday	Riley: Anaheim-AARP J.Brown: Milwaukee-DAV Cisneros: NYC-Cncl Found Reno: Cleveland-Viol. Crime	VP: Harriman dinner VP: REGO town hall? HRC: NYC-Colin Greer
WED 5/4		30th Anniv. of Job Corps		Richards FR	- Am. Coll Phys.Exec.Mtg (thru 5/7)		R.Brown: Warsaw (thru 5/7) J Brown: Milwawukee Babbitt/Reno: Albuquerque-Native American conf(thru 5/7)	VP/MEG: Mellon Dinner HRC: Mellon Dinner (T)
THU 5/5	Women's Health Event?	CINCO DE MAYO			- National Day of Prayer by Presidential Proclamation		Cisneros: San Antonio, TX	VP/MEG: White House Fellows
FRI 5/6		Civil Rights Act of 1960 ann.				- PM RAO OF INDIA - French/British "Chunnel" Inauguration.	J.Brown: Fargo, ND J.Brown: MA Browner: NYC Babbitt: AZ O'Leary: Newport News (t. 5/8)	HRC: State Opinion Leaders
SAT 5/7	- Radio Address?	KENTUCKY DERBY					Riley: Nashville, TN J.Brown: Indianapolis R.Brown: S.Africa? Reno: Billings, MO Babbitt: SFO-Sierra Club	HRC: AFT award MEG: Bazelon Children's Event

- ASIAN PACIFIC AMERICANS HERITAGE MONTH
- MENTAL HEALTH MONTH
- PHYSICAL FITNESS MONTH
- SENIOR CITIZENS MONTH
- Childcare Awareness Week
- Health Care Administrator's Week
- Labor History Week

KEY POLICY HIGHLIGHTS FOR WEEK

HEALTH CARE
"Women's Health"

CRIME

WELFARE

EDUCATION/OTHER

NEC/ECONOMY

NSC/FOREIGN POLICY

SAMPLE SCHEDULING PLANNING CALENDAR (FOR WEEK OF 08 MAY)

SELECTED EVENT CATEGORIES

DATE	POTUS	MAJOR NEWS	LEGISLATIVE	POLITICAL	MAJOR PUBLIC	NSC/FOREIGN	MAJOR CABINET	VP/HRC/MEG
SUN 5/8		MOTHER'S DAY V-E DAY (1945)	HC: Full-committee Senate activity.			Panama: General elections	R Brown: S.Africa? (thru 5/14) J.Brown: Indianapolis L Brown:Pr. Rico?(thru5/10) Christopher/Reno/Babbitt/Cisneros: Mexico City (thru 5/9)	HRC: GWU Commencement
MON 5/9							Espy: S. Africa? (thru 5/14)	HRC:?
TUE 5/10	- CFS Institute Dinner (T)			Nebraska, Pennsylvania, W. Virginia Primaries	ANA Conference		Cisneros: HI (thru 5/12)	MEG/VP: South African Presidential Inauguration? HRC:?
WED 5/11				AFL-CIO EXECUTIVE COMMITTEE (thru 5/12) - AFT LEG CONF - DC			O'Leary: Atlanta, GA	HRC:?
THU 5/12							Pena: Denver, CO (thru 5/14) ...Brown: St.Louis,MO O'Leary: travel day	VP: WSJ speech? HRC:?
FRI 5/13	GALLAUDET COMMENCEMENT? - RON: Indiana						R.Brown: MI Riley: Columbia, SC O'Leary: Chicago Cisneros: NYC Reno: Miami,FL	
SAT 5/14	- DGA-Indianapolis - Radio Address?						Albright: Seattle Cisneros: Fairmont, WVA L.Brown: Brockport, NY R.Brown: Laredo, TX	

	KEY POLICY HIGHLIGHTS FOR WEEK	HEALTH CARE	CRIME	WELFARE	EDUCATION/OTHER	NEC/ECONOMY	NSC/FOREIGN POLICY
• National Hospital Week • Alcohol & Other Drug-related Birth Defects Week • National Salvation Army Week		"Children's Week"					

SAMPLE SCHEDULING PLANNING CALENDAR (FOR WEEK OF 15 MAY)

SELECTED EVENT CATEGORIES

DATE	POTUS	MAJOR NEWS	LEGISLATIVE	POLITICAL	MAJOR PUBLIC	NSC/FOREIGN	MAJOR CABINET	VP/HRC/MEG
SUN 5/15	FoP event on the Mall?				Denver Airport Opens		Espy: S.Africa (thru 5/16) Pena: Denver, CO	HRC: Champaign Commence.
MON 5/16							Riley: Atlanta-Darden L.Brown: Philadelphia-Crime	VP: Cabinet Dinner? HRC: Midwest travel?
TUE 5/17	(remain in DC?)	BROWN vs BOARD OF EDU. (1954): 40th anniv.		Oregon primary		Norwegian PM Brunndtland visit?		MEG: NYC?
WED 5/18	- Mystery Writers Dinner	HEADSTART 30th Anniv.					L.Brown: Chicago-Law	HRC: Cong. Spouses lnch?
THU 5/19							L.Brown:Greensboro,NC-Police Shalala: Detroit-Dem fundraiser	
FRI 5/20		MOTOR VOTER (1993) anniv		Fundraiser Orange County, CA		Cuban Independence Day	L.Brown: NYC-UNDCP Shalala: Minot,ND-graduation R.Brown:Akron,OH-Sawyer	
SAT 5/21		ARMED SERVICES DAY					R.Brown:Nebraska-Sen.Kerry Panetta: Davis,CA-commence. Pena:Austin,TX-commence. J.Brown:HI-travel day	VP: TN?

	KEY POLICY HIGHLIGHTS FOR WEEK	HEALTH CARE	CRIME	WELFARE	EDUCATION/OTHER	NEC/ECONOMY	NSC/FOREIGN POLICY

April 20, 1994

MEMORANDUM FOR ALEXIS HERMAN, RICKI SEIDMAN, AND GREG LAWLER

FROM: Mike Lux

SUBJECT: SEIU Scheduling Request

APR 21 1994

I think Joe's scheduling request should be given the highest priority. SEIU and AFSCME have done more than any other institutions to help promote our health care package, and deserve to get the President's time. I strongly recommend that we schedule the President into this event.

cc: Joe Velasquez

Schedule Proposal April 19, 1994

_____ ACCEPT ____REGRET ____PENDING

TO:	Ricki Seidman
FROM:	Joe Velasquez
REQUEST:	For the President to speak to the annual Legislative Conference of the Service Employees International Union.
PURPOSE:	To gin up the SEIU troops before they converge on Capitol Hill to lobby in support of the President's health care plan.
BACKGROUND:	SEIU President John Sweeney is spearheading the AFL-CIO's health care campaign. His union is one of the nation's largest (with over 1 million members) and was one of the President's earliest and strongest supporters during the campaign. Their work on behalf of the health care campaign so far has been extraordinary, both in terms of financial and ideological commitment. They have mobilized their workers and the conference attendees can be a powerful lobbying force.
PREVIOUS PARTICIPATION:	None. The First Lady spoke to the Legislative Conference last year.
DATE/TIME:	Anytime between Monday, May 16 and Wednesday, May 18.
REMARKS:	To be provided by Speechwriting.
LOCATION:	Hyatt Regency Hotel, Washington
MEDIA COVERAGE:	Open press.
RECOMMENDED BY:	Political Affairs
CONTACT:	Joe Velasquez, x6257

April 1994

OPL Health Care Planner

March

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May

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5 HRC HC Forum (Rochester) HRC w/Seniors (Syracuse) **National Health Council Conf** POTUS HC Town Hall (NC) POTUS Rural HC Clinic (NC)	6	7 POTUS HC Town Hall (Kansas City) POTUS sm bus (Topeka)	8 HRC HC Farm (OK) POTUS HC Rally (Minneapolis) POTUS HC Town Hall (Minneapolis)	9 Alzheimers Con...
			NASW Leg Conference			
10 11:30 AM AG speech to NASW **Nurses and Social Workers Training** NASW Leg Con...	11 HRC Speech to Alzheimers	12 Alzheimers Media HRC Senate Spouses	13	14 1:00 PM Businesses for Social Responsibility 2:30 PM African American Business 3:00 PM Financial Mgmt Assn HRC HC NY??	15 12:00 PM Hispanic HC Providers 2:00 PM Natl Assn of Plumbing/ Heating 3:00 PM Italian Americans **Regional Media Day/POTUS** **State Opinion Ldrs (PA)**	16 Social Venture Network (ML, CA)
	Alzheimers Conference (500,DC)					
17 **NARAL Convention begins**	18 10:00 AM Anti-Defamation League (450) 11:00 AM Natl Ind Private School Assn 2:00 PM Iowa Bankers	19 1:30 PM Steel Manufacturers Assn 4:00 PM Young President's Organization Black Ministers (450)	20 9:00 AM Delta Sigma Theta 11:00 AM Valley Industry Commerce 1:00 PM UPS Mgmt Conference	21 11:00 AM Memphis Chamber of Commerce **1:00 PM HC MI/WI** 1:00 PM Small Business Labor CD	22 9:00 AM Arkansas Young President's Orgn (450) 2:00 PM Asian Pacific Americans Business **HC Media Day (POTUS)**	23
	CWA Leg Conference					
Building and Construction Trades Leg Conf						
24	25 10:00 AM Asian Pacific Americans **10:00 AM HC/ Asian Pacific Americans (450)** 2:00 PM Sacramento Chamber of Commerce	26 1:00 PM Small Business 2:30 PM Small Business 3:00 PM Greek Americans **POTUS HC Local?**	27 2:00 PM Owens-Corning Plant Construction Industry President's Forum/POTUS Seniors CD	28 **1:00 PM AR/HC (RR)** 1:00 PM Small Business 2:30 PM Small Business 3:00 PM Polish Americans	29 **10:00 AM Asian Americans/HC (450)** **2:00 PM Los Angeles MDs (476)** POTUS w/Am Inds (HC?)	30
	AAFP Leg Commission		NCOA (3,000,DC)	CHA Bd of Trustees		

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April 1994

OPL Health Care Planner

April

18

3:00 PM Society of American Florists
5:00 PM IIAA
POTUS HC (Long Island?)

19

Religious CD

20

Medical Research Day
POTUS HC (Kick Off Natl Immunization Wk)

21

2:30 PM Committee of 200 (450)
3:00 PM HC Mining and Other
3:00 PM Small Business

22

2:00 PM HC/Asian Pacific Americans Business (450)

25

AHA Conference wk of 25th
HRC HC San Fran
POTUS HC Travel

28

Long Term Care CD (HealthRIGHT/kids)
Take Your Daughters to Work Day

29

3:00 PM AsianPacific Providers (450)

May 1994

OPL Health Care Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Small Business Week	*2* **Disabilities CD** **HIAA Convention** **State Opinion Leaders (KS)**	*3* NAWBO Small Business/ Farmers CD	*4* Disease Groups CD	*5* Consumers CD	*6* **State Opinion Leaders (CA)** **Women CD**	*7*
8 Mother's Day **National Nurses Week**	*9*	*10* **Nurses CD** **POTUS/ANA Proposed**	*11* Labor CD	*12* Doctors CD Teachers/Children CD	*13*	*14*
15	*16*	*17* Hospitals CD	*18* Children CD (CDF)	*19* Mental Health CD	*20*	*21*
22	*23*	*24*	*25*	*26*	*27*	*28*
29	*30*	*31*				

American Jewish Committee

Labor History Week

AFL-CIO Executive Council Meeting

AFT Legislative Conference

April

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June

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Bsns.
Outreach

Divider Title: _____

From the Office of the Chief of Staff

Paul Toback, Executive Assistant to the Chief of Staff
Phone: 202/456-6798 Fax: 202/456-2464

APR 14 1994

Date: 4/14/94 Response needed by: _____

	Action	FYI		Action	FYI
Joan Baggett		X	DeeDee Myers		
Lee Brown			Bernie Nussbaum		
Rahm Emanuel			Leon Panetta		
Mark Gearan			John Podesta		
David Gergen			Jack Quinn		
Jack Gibbons			Carol Rasco		
Pat Griffin			Bob Rubin		
Marcia Hale			Ricki Seidman		
Alexis Herman	X		George Stephanopoulos		
Nancy Hernreich			Laura D'Andrea Tyson		
Harold Ickes			Christine Varney		
Mickey Kantor			David Watkins		
Phil Lader			Maggie Williams		
Tony Lake			Marsha Scott	X	
Bruce Linsey					
Ira Magaziner					
Katie McGinty					

Remarks:

Alexis,
Mack asked me to check w/ you on a response to him about our strategy for business outreach to Clinton supporters. Can you let me know where it stands?
Thanks
Pam

Response:

THE WHITE HOUSE

WASHINGTON

February 24, 1994

MEMORANDUM FOR ALEXIS HERMAN

FROM: MACK McLARTY

SUBJECT: CLINTON BUSINESS SUPPORTERS

As a follow up to my February 19th memorandum, I am attaching a letter from Samuel Fried with the President's handwritten notations for your review. The President asked me once again about our plan for business outreach to Clinton supporters. He specifically mentioned including Fried, Bob Farmer, and Paul Montrone, who has visited with me about a concept similar to that Fried outlines in his letter. Obviously, this outreach is on the President's radar screen, and we should follow up promptly.

I think it would be helpful if Marsha Scott, working with you, would prepare a list of the top five business supporters from each state in the Clinton campaign. If possible, I would like to know how many times they have been included in White House events. I would suggest you involve Mark Middleton of my staff in this project, since he has met with a number of our key supporters over the past year.

It is essential that we develop, promptly, a Clinton business supporters' strategy and plan. I look forward to meeting with you about this matter in the near term.

M. F

Attachment

cc: Joan Baggett
Harold Ickes
Bruce Lindsey

bcc: Toback (orig. w/ attachments for tracking)
Middleton

THE LIMITED, INC.

THREE LIMITED PARKWAY
COLUMBUS, OHIO 43230
TEL 614 479 7000

SAMUEL P. FRIED
Vice President
and General Counsel

Tel 614.479.7199
Fax 614.479.7188

THE PRESIDENT HAS SEEN

Mark
Need to follow up re
Gore Document w/
Ann, Montrose,
Farmer
B

MACK
Need to follow-up as we discussed w/ KRIM, MONTROSE, FARMER -

February 17, 1994

Mr. Andrew Friendly
The White House
Washington, DC

Dear Mr. Friendly:

Attached is the memo the President requested from me during our conversation in Columbus, Ohio this week.

As the largest single fundraiser for the Clinton-Gore campaign in Ohio, and as a concerned citizen, I feel duty-bound to help the Administration deal more effectively with business and other constituencies.

Sincerely,

MEMO

TO: The President

FROM: Sam Fried

DATE: 2/17/94

SUBJECT: Developing Business Support

Problem. The Administration has not built a broad-based, enduring reservoir of support within the business community, despite significant pro-business elements of the economic agenda, the completion of highly successful trade initiatives, and the Little Rock Economic Conference. Yet we ignore or alienate the business constituency at our peril – not only for the obvious reasons, but also because business leaders have learned how to mobilize grass roots efforts in key Congressional districts. The ability to tap into the grass roots networks controlled by business will be an increasingly important factor in achieving our policy goals and re-election.

Proposed Solution. The Administration should establish an informal "kitchen cabinet" of about 10 outstanding business leaders. The members of this group would be selected based on their proven vision, commitment to progressive change, and ability to energize multiple constituencies and significant resources. They would meet with the President two or three times a year in a relaxed, off-the-record setting. The goal would be to institutionalize a process of building personal relationships and loyalty based on respectful dialogue *outside the context of single-issue lobbying.* The President's investment of time would then be leveraged through at least monthly telephone follow-up by high-ranking cabinet officials, seeking the latest input and involvement from this circle of advisors. If successfully implemented, a powerful snowball effect of increasing goodwill and political support would be unleashed throughout the network of relationships enjoyed by these business leaders and their employees.

Discussion. As a Democratic President, you face the challenge of overcoming the mutual antagonism produced by the traditional Republican bias of business, on the one hand, and populist Democratic impulses, on the other. The genius of the Clinton-Gore campaign was to break out of that obsolete paradigm and immediately move to consolidate gains with the Little Rock Economic Conference. *Tragically, the dynamic momentum of that process has been squandered over the past year by treating business as either an enemy or as a shill, depending on which short-term objective was being promoted.*

The Economic Conference dramatically demonstrated that progressive business leaders whose opinions are solicited and treated with respect -- particularly by a President with your unsurpassed people skills -- will respond in kind, raising the political dialogue above the stereotypical ideological divide. This, in turn, creates new opportunities to form political coalitions, or at least to neutralize opposition. Democrats sometimes need to be reminded that business people are human beings who respond to most, if not all, of the same stimuli that move ordinary voters. Business is the segment of our society on which we depend to create the jobs that will promote America's economic renewal and social healing. A simple, leveraged program of sustained, respectful engagement with this critical constituency will produce generous political rewards.

SAMUEL P. FRIED

Samuel Fried has been Vice President and General Counsel of The Limited, Inc. since November, 1991. The Limited is the nation's premier specialty retailer, with sales of over $7 billion through approximately 4,500 stores under the following names: Express, Limited Stores, Lerner New York, Lane Bryant, Victoria's Secret, Structure, The Limited Too, Abercrombie & Fitch Co., Henri Bendel, Bath & Body Works, Cacique and Penhaligon's. The Limited also distributes apparel through the Victoria's Secret Catalogue.

Mr. Fried began his legal career in 1974 with a Boston law firm, specializing in securities and tax matters. From 1977-1981, he held legal and international finance positions with The Bendix Corporation, a multinational company serving the aerospace-electronics, automotive, forest products and machine tool industries. From 1982-1987, he was Vice President and Chief Legal Officer of Clevite Industries, a multinational company engaged in the manufacture and distribution of component parts for the transportation and general industrial markets. From 1987-1991, Mr. Fried served as Vice President and General Counsel of Exide Corporation, the oldest and largest US manufacturer and distributor of automotive and industrial batteries.

In all of the foregoing positions, Mr. Fried was responsible for the efficient delivery of quality legal services to highly entrepreneurial organizations. In addition, he was charged with negotiating complex domestic and international transactions requiring the coordination of multidisciplinary skills.

Mr. Fried joined The Limited as its first in-house counsel and is responsible for all legal matters affecting the corporation. By applying entrepreneurial principles to a formerly bureaucratic function, he has significantly increased the quality and responsiveness of legal services provided to The Limited while, at the same time, dramatically reducing cost.

Mr. Fried has assumed leadership roles in numerous civic, community and religious programs. Mr. Fried is also active in Democratic politics and was an early and key supporter of the Clinton-Gore campaign in Ohio.

Mr. Fried is a member of the Illinois, Massachusetts, Michigan and Ohio bars. He received his A.B. (magna cum laude and Phi Beta Kappa) from Washington University in St. Louis and his J.D. (with honors) and Masters of Law in Taxation from Boston University School of Law. He also received rabbinical ordination from the Chief Rabbinate of Israel. Mr. Fried served as Editor of the Boston University Law Review and edited Psychosurgery: A Multidisciplinary Symposium (Lexington Books, 1974, with a foreword by Senator Edward M. Kennedy).

Mr. Fried and his wife, Gigi, have five children and reside in Bexley, Ohio.

DESK

THE WHITE HOUSE

WASHINGTON

February 19, 1994

MEMORANDUM FOR ALEXIS HERMAN
BOB RUBIN

FROM: MACK McLARTY

SUBJECT: CLINTON BUSINESS SUPPORTERS -- STRATEGY

The President commented this past Friday before his CEO luncheon that he was concerned about Clinton supporters not being involved in our Public Liaison and National Economic Council strategy. He noted that several of the people invited to the luncheon had been to the White House several times and were not supporters.

While I think a large number of the Clinton business supporters have been invited to the White House, either to small dinner parties or to briefings held on various issues, I think the President has a good point. I would appreciate a one-page memorandum regarding our plan to make sure we include, on an orderly and regular basis, Clinton business supporters in our NEC and Public Liaison outreach. Included in that memorandum, I would like to know who is going to be responsible in your respective areas for the follow through on this. I would suggest that you include Political and Bruce Lindsey in the development of your thoughts.

Thanks.

Mack

cc: The President
Joan Baggett
Harold Ickes
Bruce Lindsey

bcc: Paul
Tobach

No Business Strategy / No plan

↓

Suppliers (own)

↓

Who is in charge

Mark Middleton

Paul Montrose idea

Attach to copy of memo to Mack / Bob Rubin

THE PRESIDENT HAS SEEN 2/17/94

THE LIMITED, INC.

Mack - See me re this

SAMUEL P. FRIED
VICE PRESIDENT AND
GENERAL COUNSEL

THREE LIMITED PARKWAY
P.O. BOX 16000
COLUMBUS, OHIO
43216
TEL 614 479 7199
FAX 614 479 7188

MACK - See Me Re this

B

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Limited —

=

B.B ~~Jones~~

THE WHITE HOUSE

WASHINGTON

February 19, 1994

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BOB RUBIN

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Thanks.

Mack

cc: The President
Joan Baggett
Harold Ickes
Bruce Lindsey

bcc: Paul Tobach

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

TO: Alexis
FR: Amy

MEMORANDUM

TO: President Bill Clinton

FROM: Erskine Bowles
Administrator

DATE: April 8, 1994

SUBJECT: Godfather's Pizza/Health Care

You were right on in your response to the Godfather's Pizza owner.

If labor costs are 25% of his revenues and Godfather's is going to experience an 8% increase in labor cost, then he would only have to raise his prices by 2% to pass along to his customers the entire cost of providing health care to all his employees.

What does this mean? It means that his customers' $10.00 pizza would now cost $10.20. How many folks are going to stop buying a $10.00 pizza if it costs 20¢ more? My guess is the same as yours, almost none. Especially in light of the fact that the playing field for all others in his industry will be levelled and thereby similarly effected.

level playing field

I should point out that Godfather's probably won't pass along all this cost to its customers; some will be absorbed by his employees in lieu of pay raises. The employees, however, will be getting comprehensive health insurance that can never be taken away in lieu of some part of the increase in direct wages they might have received otherwise.

Clearly, if Godfather's took the above action, health care reform would have absolutely no negative impact on the company's margins or profitability. The company would, however, have the benefit of:

1. Being able to recruit and maintain a stable work force that would not be lured away by another business offering their employees comprehensive health care benefits;

2. Potentially lower workmen's compensation insurance cost as the delivery of the medical portion of workmen's compensation is integrated with health care reform; and

printed on recycled paper

3. Higher productivity as turnover is decreased and the company has the benefit of a healthier work force.

I should add that other taxpayers, business owners and individuals will also benefit as henceforth they no longer have to pick up the cost of caring for his employees who cannot afford to pay their medical bills when they get sick but still get medical treatment, usually in the emergency room at four or five times the cost it would be in the doctor's office.

TO: MINYON MOORE, HEATHER BOOTH
cc: Debra DeLee, Governor Celeste, Linda Sinoway, Ed Lazarus, Kiki Moore, Martha Phipps

FROM: CAREN WILCOX CW

RE: BUSINESS OUTREACH ON HEALTHCARE

DATE: FEBRUARY 7, 1994

The events of the last week have brought painfully home that we must strengthen business outreach on healthcare to some groups and refine our message and encirclement of other elements of the business community. This is not a new subject, having been discussed in various fora since the campaign and the transition, however, some factors bear review and others reevaluation.

This memo outlines immediate actions which can be taken by the White House and DNC/NHCC including:
shoring up supporters and finding more business support;
outlining ideas for a new message focus for business;
communications methods for that message;
and areas for possible negotiations with key elements of the business community by the administration with the Congress.

It appears that there are three things we should do immediately in the business community to shore up what support remains.

First, direct the message to employees whenever possible, as a priority over employers who are alleging they speak for employees and are trying to frighten them into opposition.

Second, target efforts to shoring up businesses which do support the plan, and who still may support comprehensive reform, i.e. early retiree (FASB) companies, drugstore companies, distilled spirits companies, and Democrat and other progressive business owners. Thank them often.

Single out purchasers of healthcare and direct a message to them contrasting their responsible and disinterested approach from those who make a profit from their purchases (i.e. their suppliers of healthcare--for profit hospitals, equipment manufacturers, insurers, pharmaceuticals) and contrasting them from those who cost shift to them because they don't pay for employee healthcare. USE NICHE MARKETING.

Third, reach out only to companies which have some natural affiliation with the President including: minority and women-owned businesses, healthcare business gainers (mental health providers, disability and longterm care providers etc.) In addition, consider outreach to high technology (non-biotechnology) companies; defense companies (early retirees), small high wage companies which compete with larger similar businesses (accountants, public relations businesses, advertising agencies, architects, engineers, etc.)

Finally, **while we should not make up soon,** eventually, we cannot be at war with most of American business, and they cannot be at war with us. I expect that first there will be some more open wounds, then some scabs which will not last, and perhaps then some healing with longlasting scars.

Current Situation

1. **SIGNIFICANT BUSINESS ORGANIZATION SUPPORT NOT EXPECTED** - Most of us never believed we would get endorsement by any significant business organization of any healthcare plan, certainly not a comprehensive one as presented by the President and First Lady.

We always believed support would be incremental, company by company, and employee by employee in the business sector. This is all the more true today.

2. **CONTINUING BUSINESS OUTREACH** - Core CEO supporters (those who stood with the President in September) should be sought out and cultivated on a constant, continuing basis. This is most effectively done from the White House.

Business Leaders for Clinton/Gore - These business leaders were approached about support in the the Fall and those who expressed support have been kept informed, but many have not been involved other than by our DNC field people and surrogate speaker training. We need to approach them more.

DNC Trustees - Within the last two weeks we have been able to access computer lists in order to communicate with trustees, and we will be preparing a mailing for them to engage them in support of universal coverage, choice, simplicity etc.

Small Business - The field operation of the NHCC has been continuously identifying small businesses in states in which we are organized. As soon as it was publically released, the work sheet for small business was forwarded to the field organizers for use in the field.

Cooperative work continues with the White House to find small business supporters and obtain briefings for them where appropriate.

3. **MESSAGE** - A focused business message must be refined. We have let employers communicate the message of what is in our plan to employees. While we must, for public opinion reasons, continue to focus on the abuses of insurers and drug companies, I would like to see some **focus group work** done on a message more oriented toward what this plan will do for all employees including those of large companies. Use language employees can hear and which they will not shut out or turn off.

Focus on implications of employee mandates or making insurance available to employees. All middle class employees who have benefits today know that employers are in a take back mode, not a give more mode. For instance, pensions have given way to employee personal and matched savings plans for retirement; employers are putting more and more employees on contract without any benefits or permanent employment as a substitute for full time employment. USE THIS TREND TO EXPLAIN TO EMPLOYEES THAT THEY ARE IN DANGER OF LOSING THEIR MOST IMPORTANT EMPLOYER BENEFIT TO DATE - HEALTHCARE.

The POTUS Protects Current Benefits Too - THE MESSAGE SHOULD BE THAT EVEN FULLTIME PERMANENT EMPLOYEES COULD LOSE THEIR HEALTH BENEFITS -- NOT JUST BY LOSING THEIR JOB, OR BEING TAXED, BUT WHILE ON THE JOB -- IF A BAD PLAN PASSES. This overcomes the argument that we only offer new benefits to others at the expense of currently covered employees.

The Future Cost Shift Problem - The cost shift today is from the employer who refuses to cover employees and underprices the competitor who does. Tomorrow the cost shift will be to the employee from the employer who does cover today because that employer down the street will still not cover the employee, and now the employer will have an excuse -- employees will have access (but no money.)

Alliance Management - Why do we never point out that the President's plan for alliances calls for them to be run by employers and employees? I wrote draft talking points about this quite a while ago.

Deficit Management - If we want to continue to try to appeal to some businesses -- and there are some to whom we can appeal, why not **emphasize** the deficit argument to purchasers, comparing it to their own growing costs. Many of them are profit making companies paying 36% federal corporate net income taxes to pay for these huge growing medical costs in their federal, state and local budgets.

Total Quality Management - Many companies and many employees understand the savings which can come to their bottom lines from managing for quality, which includes paperwork simplification. Emphasize that the cheapest medicine is not necessarily the best, but neither is the most expensive. Emphasize the quality measures and containment which will come from this practice.

Cost Containment - Related to the TQM argument above contrast true cost containment in the Clinton plan with Cooper's plan to force everyone into huge lowest cost HMOs.

4. **COMMUNICATING THE MESSAGE** - We have discussed various ways to communicate the message. The most powerful means we have is from the concern of the President and First Lady. The White House will engage in opinion leader briefings, surrogate speaking, and key events.

I would hope that whatever advertising we do from NHCC, we take into account language which will reach ordinary middle class working people.

I have discussed with the NHCC staff, the possibility of niche print advertising as a possibility, and it can be done in local business media, USA Today, and other commonly read media on a targetted basis. Direct mail is also a possibility, particularly to small businesses or targetted business segments.

Supportive CEOs and other third party supporters must continue to be asked to produce opinion pieces, and we will probably have to draft many for them. Currently this is being done by the White House. In addition, we have the C/G list of economists and could consider contacting them for support and comment if we believe they will back us.

These individuals need to be placed on television whenever possible.

A coalition of early retiree companies and another of drugstore operators is already operating. It is essential to build more communication with these coalitions and to track and counter the activities of opposing business coalitions more effectively.

We need to consider a small business event with supportive small businesses -- a forum, discussion panel, etc. at which hard questions can be asked with good answers. Ideally this event would be a video news release or perhaps, if it were sponsored by the Rainbow Coalition businesses or other progressive business group it could be covered by CSPAN.

5. **ISSUES OF CONTINUING CONCERN IN THE BUSINESS COMMUNITY** - There are, of course, the continuing ideological issues which continuously attract a core of the business constituency. These include opposition to any mandated benefit; fear of governmental inefficiency, abuse and domination of any system; and/or a belief in survival of the fittest and lack of any obligation to help fellow citizens. There is nothing we can do to obtain the support of these people.

Real Issues in the Business Community

Pharmaceuticals - Because of the pharmaceutical benefits in the plan many companies might have liked to be on the bill, BUT for the bio-technology pricing clauses of the new drugs portion of the bill. This and the vaccines argument last year have soured this industry on endorsement. Nevertheless the Pharmaceutical Manufacturers have produced ads touting new drug development, but not attacking the administration. They have amendments. The generic and nutritional medical foods people would like to get on board. Attacks on this industry in the press and speeches however, may prevent them from ever really coming on board now. Situation still unknown.

Large Purchaser Companies - These companies vary in their approach, but basically want to be able to go their own way. Some believe the benefits package (especially mental health portion) is too rich, some believe it should have vision and dental; some want to keep flex benefits; all want ERISA pre-emption; many don't want to pay social costs through the 1% tax on corporate alliances, many are concerned about the alliance structures and size, (I believe most want about 1000 although their bargaining position is 100.)

Some such as the group represented by Larry Atkins, still want to deal in the middle. Ira Magaziner is fully apprised of the wants and needs of these companies.

Small Business - Varies in its response dependent on whether they offer benefits or not now. We are using the SBA worksheet now that it has been publically released, and it is useful to people. We believe that the high wage small firms should be supportive in the longrun. Small mom and pops are just frightened.

Service Companies - Large and small service companies which do not offer benefits are our biggest opponents along with their associations like National Federation of Independent Business, and the National Restaurant Association. The large construction companies such as Halliburton are also opposed. Few of these companies want to pay for uncovered employees.

The best of these companies are concerned about some kind of 50-50 split, and some have floated this on me.

Private Hospital Companies - Many of these companies do not want cost containment, quality comparisons, but of course they want universal coverage -- the best of all possible worlds for them. (See Bromberg article in WA Post.) However, mental health providers want to support the plan.

The Big Five Insurers - Want universal coverage without premium caps, want only small alliances or no alliances, can live with other insurance reforms because their smaller competitors will be put out of business. They retain very significant Democrat lobbyists.

HIAA - Many of their members will go out of business if they lose on pre-existing conditions, small or no alliances and premium caps. While they have told Ira Magaziner that there are many things in the bill they can live with, after meeting privately with old friends in the industry, I personally believe that as an association their only real position can be for "no bill." They retain very significant Republican and Democrat lobbyists.

A few of their members and similarly situated companies will adjust by becoming regional HMOs or PPOs.

Independent Contractors - As long as the agreement to honor current statutory definition and treatment of independent contractors

holds, many of these companies will keep their powder dry as it relates to total opposition to the bill. They are also concerned about required spousal independent coverage for spouses who are only minimally attached to the workforce. The Direct Selling Association has anti-abuse language as well, and it is being communicated to appropriate people in the administration.

Our Supporters

Large, Old Heavy Industry - These are our friends. They are working hard for us, have formed a coalition, hired Ogilvy and Mather and Chambers Associates. They want early retiree benefit and are prepared to work hard for it.

Distilled Spirits and Beer Companies - These companies (at least those which don't own tobacco also) are very much with us from behind the scenes. They will help with financing and lobbying.

Drugstore Companies and Small Pharmacists - These companies continue to support the plan due to its provisions on pharmaceutical benefits.

Progressive Businesses - Members of Businesses for Social Responsibility (but not the BSR itself) continue to support the plan. So do individual members of Business and Professional Women (BPW) and individual members of National Association of Women Business Owners (NAWBO.) **It is very important to realize that none of these organizations themselves has a position to endorse.**

Trade Associations - The Automobile Manufacturers and the American Iron and Steel Institute are very supportive of the efforts of their members. DISCUS, Distilled Spirits Council, wants to be helpful but they do not think it would be helpful to the President to be out front and we agree. They know how to lobby however.

Coordinating our friends is something of a challenge. We have discussed several methods, and whether they can be coordinated, and by whom remains to be determined.

cc: Harold Ickes, Deputy Chief of Staff
Ira Magaziner, Senior Advisor to the President
Alexis Herman, Assistant to the President
Steve Hilton, Deputy Assistant to the President
Mike Lux, Special Assistant to the President
Marilyn Yager, Special Assistant to the President
Amy Zisook, Special Assistant to the President

Jerry Klepner, Assistant Secretary, HHS

THE WHITE HOUSE

WASHINGTON

March 9, 1994

MAR - 9 1994

TO: Alexis Herman

FROM: Marilyn Yager

RE: Miami Companies

Amy and I have both checked our lists for supportive companies on health care in Miami or nearby. Here's a status:

Eckerd Corporation
Stewart Turley, CEO
Clearwater, FL
(health care supporter - part of the drug store coalition)

Baxter Diagnostics, Division of Baxter International
Vernon Loucks, CEO
Miami, FL
(he came to the Feb. 2 health care meeting with POTUS and First Lady, and has been generally supportive on health care, although concerned about the drug provisions of our plan.)

IVAX
Phillip Frost, CEO
Miami, FL
(strong Clinton supporter in general, but not a healthcare supporter).

John Alden Insurance Company
William Mauk, CEO
Miami, FL
(a supporter of our health plan in general)

Ryder Systems
Anthony Burns, CEO
Miami, FL
(opposed to the employer mandate, but open minded on other health reform issues).

February 5, 1994

MEMORANDUM FOR ALEXIS HERMAN
STEVE HILTON

FROM: AMY ZISOOK

SUBJECT: GENERAL BUSINESS STRATEGY

In light of the new year as well as this week's actions on health care reform by several major business organizations, it is incumbent on us to review and revise our general business outreach strategy and our outreach strategy on health care reform.

I. Health Care Reform

Although we did not prevent the Business Roundtable Policy Committee from "supporting" the Cooper Bill, we should be pleased that we were able to successfully hold-off any action to until after the State of the Union address. That delay helped create a positive environment leading into a tremendously successful speech. In retrospect, it is clear that our initial goal was blurred - to recruit some support and shore-up support with little actual hope of preventing the vote, but it was necessary to do something. We now need to determine how we will work with these associations and corporations so as to acknowledge their opposition to the President's plan.

It is important that we return to our original plan of slowly, deliberately recruiting support from business with the understanding that over time, as the Congress changes the Bill, we will be able to add to that support leading us to a time at the end of the process where we will have sufficient business support to lend credibility to passage of an employer-based health care system with universal coverage.

Our effort directed to large companies should be limited to:

- existing coalitions of large corporations who continue to support an employer mandate and its relationship to cost control;

- "opinion leader" corporations who have not taken a formal position on health care reform;

- friends/supporters of the President.

We should continue to work with the Joint Consultative Team to the extent that it is useful to improving the plan which may lead to support of the final bill. We should limit, however, other conversations with groups with whom we disagree unless we actually intend to make recommendations to the Congress on acceptable alterations to the plan. We should not put ourselves in the position of being criticized for failure to act on things upon which we have no intention of acting.

We should better educate cabinet secretaries with key business constituencies so as to increase our pool of surrogate(i.e. Espy, O'Leary, Pena). This will be beneficial to both our large and small business strategies.

Our effort directed to small business should proceed in a similar fashion(see memo of 11/19/93-attached):

- educate small business associations through briefings with Erskine Bowles and others;

- distribute educational material and the worksheet to small business associations who make a commitment to distributing them to their members;

- hold targeted briefings for constituents of Departments (e.g. Transportation and Energy);

- invite friends/supporters of the President to the White House for small business briefings, by state, similar to "State Opinion Leaders," but limited to small business people and therefore focused on business issues;

- Invite friends/supporters to meet with Erskine Bowles and others when they are in the field;

- arrange for a limited number of association meetings in the field.

- send surrogates to small business association conventions.

From this strategy we will recruit a limited, but sufficient group of core small business supporters who, like the large companies, will lend credibility to an employer-based health care system with universal coverage.

II. General Business

As we have discussed, this is a new year with new objectives. Last year our mission was to open doors to a new constituency -- Republican business leaders -- and to open them to a President and an administration that although Democratic, was a pro-business administration. I think we were successful in doing that at most levels.

This year our mission is to ensure that our base have ample opportunity to participate in our activities and to express support for the President's priorities, and to promote job creation. These will be accomplished by the following:

- work with the DNC to develop the best list of supporters of the President who are business people and involve them in our activities, and

- focus additional energy on fast-growing, mid-sized entrepreneurial companies.

I do not mean to suggest that we will cease all actives with Fortune 200 companies or others who do not fall into one of these two categories. I do however think that with our limited resources we should shift the focus and energy of our activities.

I continue to think that "CEO Luncheons" are the best vehicle for recruiting and reinforcing support for the President. The configuration of the luncheon can be changed to include larger numbers of people when appropriate and briefings with senior White House and administration officials can also be used for reinforcement.

It is of critical importance that we spend time this week to develop a general strategy to present to Mack, Phil, Harold, et al. Our November 19th memo should, with minor revision, should still be a valid working document.

Please advise!

cc: Marilyn Yager
Marilyn DiGiacobbe