Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	From: Hillary Clinton, To: Congressman Peter W. Barca (1 page)	4/28/94	b(6)
001b. letter	From: Congressman Peter W. Barca, To: Hillary Rodham Clinton (1 page)	12/8/93	b(6)
002a. letter	From: Congressman George J. Hochbrueckner, To: Ms. Clinton [partial] (1 page)	3/23/94	b(6)
002b. letter	From: Hillary Rodham Clinton, To: Constituent [partial] (1 page)	8/22/94	b(6)
002c. letter	From: Constituent, To: Mr. Hochbrueckner [partial] (2 pages)	3/20/94	b(6)

COLLECTION:
Clinton Presidential Records
First Lady's Office
Pam Cicetti
OA/Box Number: 10599

FOLDER TITLE:
House [103rd Congress]

2014-0159-S
sb267

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

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

HOUSE

HOUSE

~~Confidential~~ Staff Draft/Not for Distribution

MEMORANDUM

TO: Mainstream Senators
FROM: Staff
RE: Status of Discussions with Representatives of the Majority Leader and the Republican Leader
DATE: September 13, 1994

The Mainstream staff worked through the recess and was available to representatives of both the Majority Leader and the Republican Leader. Mainstream staff has met with staff from the Majority Leader's offices and representatives of the Republican Leader in an attempt to resolve and identify differences between our proposals.

Progress

1. Representatives of the Republican Leader

There have been two official meetings at which both substance and process were discussed. We answered questions and expressed the desire of Mainstream members to develop a list of areas in agreement and disagreement. The Republican Leader's representatives indicated that they were in the process of developing such a list to give to the Republican Leader. Mainstream staff suggested the possibility of attempting to discuss such issues to see if staff could work some of them out before the return of the Members. The Republican Leader's representatives felt that would be beyond the authority they had been given. Every attempt has been made, and will continue to be made, to involve the Republican Leader in ongoing discussions and to be responsive to his concerns.

2. Representatives of the Majority Leader

We have made a great deal of progress--probably 85% of issues could be resolved if an overall agreement were reached. Among the 15% or so issues that remain outstanding, there are only a few that Members will absolutely have to work out among themselves.

Senator Mitchell has accepted the Mainstream's position on a number of important issues, for example:

- o Agreement to work off of the language drafted by the Mainstream.

- o Willingness to negotiate on a "tax cap" as applied to large businesses, and abandonment of the notion of a tax on high cost plans which included a baseline set by the federal government.

- o Dropping his triggered employer mandate, his cost commission report (accompanied by expedited legislative procedures), and his new private right of action for potential civil rights violations.

- o Indication of some flexibility on issues related to the threshold for community rating/self-insuring.

Attached is a list of issues that remain outstanding, divided into two categories: (1) those that must be resolved by Members, and (2) those that staff could work out with some guidance from our respective Senators. On issues in both categories, Mainstream staff have had internal discussions to determine whether any possible compromises might exist.

ISSUES THAT MEMBERS MUST RESOLVE:

Issue: Individual deduction

Mainstream Position: The Mainstream proposal provides for an eventual 100% deduction for the self-employed and for individuals whose employers do not provide health insurance.

Mitchell Position: The Mitchell bill contains only a 50% deduction for the self-employed and no deduction for individuals.

Comments: Although fairness may dictate the need for the individual deduction in addition to the deduction for the self-employed, CBO and Joint Tax agree that the cost of the individual deduction is not justified by any real increase in coverage. They also have pointed out that, while the individual deduction will effectively do nothing to expand coverage, its likely real world effect would be to encourage employers to drop employees from company health plans. The cost of the individual deduction in the Mainstream bill is approximately 70% of the total estimated $29 billion over ten years for both deductions.

Issue: Risk Adjustment

Mainstream Position: The Mainstream proposal does not risk adjust from the experience-rated pool to the community-rated pool.

Mitchell Position: The Mitchell bill risk adjusts from the experience-rated pool to the community-rated pool.

Comments: It has been the Mainstream's position that a risk adjustment of this kind constitutes a hidden tax on large employer plans. This remains an essentially "either-or" proposition.

Issue: State Flexibility

Mainstream Position: For the sake of national uniformity, the Mainstream proposal would not allow states to implement state-level reforms either (1) ahead of the time frame in federal reform legislation or (2) that would affect ERISA plans. However, the Mainstream agreement retains current ERISA waivers for Maryland and Hawaii, and allows states to set up single payer systems with a carve-out for large multi-state employers (1,000 or more employees).

Mitchell Position: Mitchell wants to allow (1) and (2), and wants to allow states to impose additional or different requirements than those imposed by federal reform legislation. Specifically, Mitchell's bill grants waivers to certain states (Maryland, Hawaii and New York) to tax self-insured plans, impose employer mandates, and/or continue all payer hospital reimbursement systems. Also, it allows States to set up single payer systems without a carve-out for large employers and allows "Fast-Track" states to implement federal uniform standards in advance of their effective dates.

Comments: While the Mainstream and Mitchell approach agree on the grandfathering in of certain existing ERISA and Medicaid waivers and expanding both the Hawaii and Maryland waiver, there is still disagreement on the New York waiver, the "Fast-Track" states, and the single payer opt out for large companies.

Issue: Medicare Outpatient Prescription Drug Benefit

Mainstream Position: The Mainstream is opposed to a new non-means-tested entitlement but gives seniors access to certified health plans which would provide prescription drugs.

Mitchell Position: The Mitchell bill includes a new benefit under Medicare to cover prescription drugs.

Issue: Fail-Safe

Mainstream Position: The Mainstream bill provides for reductions in new spending programs enacted as part of health care reform to offset any unanticipated growth in total federal health spending, including Medicare. The bill requires that if Medicare spending causes the fail-safe to be triggered, the President must send a proposal to Congress that would reduce Medicare spending thereby preventing the fail-safe from being triggered. If such legislation is not enacted, the new reform programs would be sequestered.

Mitchell Position: The Mitchell bill prevents unanticipated growth in Medicare from triggering a subsidy cut, and therefore excludes Medicare spending from the current health spending baseline.

Issue: Malpractice

Mainstream Position: The Mainstream bill contains a $250,000 cap on non-economic damages.

Mitchell Position: The Mitchell bill does not contain a cap on non-economic damages.

Comments: Mitchell may also have some concerns about (1) mandatory fee shifting (English rule) in ADR cases and (2) Mainstream's provisions on several liability.

ISSUES WHICH STAFF CAN RESOLVE WITH SOME GUIDANCE:

Issue: Limit on Tax Deductibility and Employer Deductions/Employee Exclusion for Cost-Sharing Supplementals

Mainstream Position:
(1) The Mainstream bill contains a dual formula for calculating the limit on deductibility for experience-rated plans, under which an experience-rated employer can choose a limit of either 110% of the average premium for community-rated plans in their area, or the level of that company's actual spending in 1997 not increased for growth.

(2) Mainstream would not allow an employer deduction or individual exclusion for supplementals that cover cost sharing under the standard plan (first dollar coverage) beginning in the year 2000.

this issue should be in the category for Senators to resolve

Mitchell Position:
(1) Mitchell would like to change the formula that determines level of deductibility for experience-rated plans.

(2) Mitchell does not contain the provision which eliminates the deductibility and excludability of cost sharing supplemental plans.

Comments: Mitchell's staff has indicated a willingness to negotiate on the issue of the limit on deductibility for experience-rated plans. ~~and they have already agreed to the limit on deductibility for community-rated plans.~~

Issue: Insurance Reform

Mainstream Position:
(1) The Mainstream proposal limits community-rating to firms with fewer than 100 workers.

(2) The Mainstream proposal allows existing association plans to continue selling experience-rated and self-insured plans to their members, but does not allow new plans to develop.

(3) The Mainstream bill contains a provision that would allow large (over 100,000) purchasing cooperatives that serve public employees to continue offering experience-rated plans.

Mitchell Position:
(1) The Mitchell bill limits community-rating to firms with fewer than 500 workers.

(2) The Mitchell bill would effectively eliminate association plans with the exception of Taft-Hartley plans, rural electric cooperative plans and certain church plans.

(3) The Mitchell bill would not allow large purchasing cooperatives that serve public employees to continue offering experience-rated plans.

Comments: Staff has been considering some options that may lead to an agreement on these issues. The underlying issues require a balancing between the continued existence of current purchasing arrangements and the protection of the community-rated pools.

Home and Community-Based Long Term Care Benefit.

Mainstream Position: The Mainstream bill funds this capped entitlement to states at $10 billion over ten years.

Mitchell Position: The Mitchell bill funds this program at $47 billion over ten years.

Comments: Differences also remain in the level of income-related cost-sharing that would be required of beneficiaries. Mitchell favors a 50% cost share at 400% of poverty while the Mainstream favor a 100% cost share at a lower level of poverty.

Issue: Underserved/Public Health

Mainstream Position: The Mainstream bill does not include any mandatory spending for public health programs or programs to assist underserved populations.

Mitchell Position: The Mitchell bill provides for direct (mandatory) funding for a series of programs devoted to underserved populations and public health functions. The amount of direct funding that Mitchell ultimately wants is negotiable, but Mitchell's staff want some mandatory outlays for underserved programs (network development, enabling services, and capital), school based clinics, the National Health Service Corps, essential public health activities, the community based scholarship program, and additional funding for WIC.

Comment: The Mitchell bill originally contained $37 billion in mandatory funding; they have communicated they may be willing to accept significantly less.

Issue: Benefit Package / Role of the Health Board

Mainstream Position: The Mainstream bill contains three defined benefit packages and it provides more flexibility with regard to the nature of particular covered items and services within the nationally defined categories. The Board would define the limitations on specific items and services and would set cost-sharing for the benefit packages.

Mitchell Position: The Mitchell bill contains two defined benefit packages and it would have the Commission specifically define all covered items and services, and cost sharing. After the initial packages were defined, the Board would be able to change cost-sharing and covered items and services without Congressional approval.

Issue: Workforce / Graduate Medical Education

Mainstream Position: The Mainstream proposal does not include a specific workforce requirement, but would set up a commission to report on workforce reform (a proposal would come to Congress under expedited legislative procedures).

Mitchell Position: Mitchell wants to impose a national "workforce" goal of 55% primary care physicians to 45% specialty physicians and target new federal spending to the achievement of this goal.

Comments: Differences also remain in the amount of funding that would be raised through a new "all-payer" tax on health plans, but it is not clear if this is a major concern of Mitchell's.

Federal Employees Health Benefits Program (FEHBP).

Mainstream Position: The Mainstream proposal requires all locally-offered plans that participate in FEHBP to offer themselves to the community-rated market.

Mitchell Position: Mitchell would (1) require that all employers offer FEHBP to their employees and (2) blend the community rate and federal employee rate over time.

Comments: Mitchell's staff has suggested the following compromise: adding a "cash and carry" provision that would allow all employees of community-rated employers to choose an FEHBP plan and retain their employers' contribution.

Issue: Outcomes and Quality Research

Mainstream Position: The Mainstream bill would not devote part of its all-payer tax (.6%) for graduate medical education to increase funding for the Agency for Health Care Policy and Research.

Mitchell Position: Mitchell would devote a part of his 1.75% all-payer tax on premiums to increase funding for the Agency for Health Care Policy and Research. AHCPR is currently funded through discretionary appropriations and the Medicare trust fund.

Issue: Plans and HIPCs

Mainstream Position: Under the Mainstream bill, plans are not required to offer themselves to all HIPCs in the area, but all plans will be listed, comparative information will be available and individuals will be able to enroll in plans at a state designated site.

Mitchell Position: The Mitchell bill requires all health insurance plans to be offered through a HIPC, although there is no requirement for individuals to purchase through a HIPC.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	From: Hillary Clinton, To: Congressman Peter W. Barca (1 page)	4/28/94	b(6)

COLLECTION:
Clinton Presidential Records
First Lady's Office
Pam Cicetti
OA/Box Number: 10599

FOLDER TITLE:
House [103rd Congress]

2014-0159-S
sb267

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

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

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. letter	From: Congressman Peter W. Barca, To: Hillary Rodham Clinton (1 page)	12/8/93	b(6)

COLLECTION:
Clinton Presidential Records
First Lady's Office
Pam Cicetti
OA/Box Number: 10599

FOLDER TITLE:
House [103rd Congress]

2014-0159-S
sb267

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

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

THE WHITE HOUSE

August 3, 1994

The Honorable Stephen L. Neal
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Neal:

Thank you for writing to share your proposed language on prevention programs and health care reform that we discussed recently. As you know, we strongly support efforts to increase access to primary and preventive care. Too many Americans do not get the preventive care they need and instead are forced to wait until their illnesses are serious and costly before seeking care. As you so correctly pointed out in your letter and when we spoke, an emphasis on prevention will both improve health and save money.

I look forward to continuing to work with you and your colleagues in the coming weeks to make health security a reality for all American families.

Sincerely yours,

Hillary

Hillary Rodham Clinton

cc: Melanne
Jack L
Jen

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

STEVE NEAL
NORTH CAROLINA

July 26, 1994

The First Lady
The White House
Washington, D.C. 20500

Dear Mrs. Clinton:

Attached is proposed language for including effective and cost-effective prevention programs in your health care plan. I have given similar language to Dick Gephardt, and he has agreed to get it included in the bill we'll consider in the House.

While our current medical emphasis on early detection and cure of disease is necessary now, for the future we should also encourage, recognize and require payment for those preventive measures which (and only which) can be scientifically proven to be effective and cost-effective. The most serious and painful diseases (cancer, stroke, heart disease, arthritis, diabetes, etc.) are in large part preventable. This emphasis on prevention, I'm suggesting, can save us a lot of money and human suffering in many, some as yet unseen, ways.

You seemed to support this approach when I mentioned it to you last Thursday at our meeting with Dick Gephardt. Please let me have your thinking on it now. Thank you for your outstanding dedication and fine leadership on the health care issue.

Respectfully,

STEPHEN L. NEAL
U.S. Congressman

SLN:bc

hall
is for
n-patient,
ent,

and cost
ehensive

i has

r
the
nich

ically
eventive
e
American

Verifiable Cost Savings
Through Effective Preventive Medicine
and Mental Health Programs

Suggested to add to the health reform bill:

"In addition to the benefits herein described, the National Health Board shall determine those additional preventive programs, and additional programs for mental health and substance abuse (including but not limited to specific in-patient, community-based, workplace, or in-home programs for stress management, nutrition, exercise, treatment of substance abuse and other beahvioral approaches), which have research evidence indicating they are effective and cost effective, and shall include those programs and procedures in the comprehensive benefit package."

Suggested report language:

"Effective programs are defined as programs for which scientific research has demonstrated efficacy for the particular condition or risk factor involved.

"Cost-effective programs are defined as programs with insurance or other health cost data projecting a net reduction in total health care costs within the CBO's projection time period for health care programs, and programs which continue to demonstrate such cost reductions when adopted and covered under this statute.

"One intent of this provision is to encourage health researchers to scientifically demonstrate the effectiveness and cost effectiveness of a wide range of preventive and mental health approaches and to adopt such effective and cost effective approaches under this statute expeditiously, to improve the health of the American people and to reduce the burden of health care costs."

THE WHITE HOUSE

August 3, 1994

The Honorable Stephen L. Neal
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Neal:

Thank you for writing to share your proposed language on prevention programs and health care reform that we discussed recently. As you know, we strongly support efforts to increase access to primary and preventive care. Too many Americans do not get the preventive care they need and instead are forced to wait until their illnesses are serious and costly before seeking care. As you so correctly pointed out in your letter and when we spoke, an emphasis on prevention will both improve health and save money.

I look forward to continuing to work with you and your colleagues in the coming weeks to make health security a reality for all American families.

Sincerely yours,

Hillary

Hillary Rodham Clinton

THE WHITE HOUSE

August 3, 1994

The Honorable Stephen L. Neal
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Neal:

Thank you for writing to share your proposed language on prevention programs and health care reform that we discussed recently. As you know, we strongly support efforts to increase access to primary and preventive care. Too many Americans do not get the preventive care they need and instead are forced to wait until their illnesses are serious and costly before seeking care. As you so correctly pointed out in your letter and when we spoke, an emphasis on prevention will both improve health and save money.

I look forward to continuing to work with you and your colleagues in the coming weeks to make health security a reality for all American families.

Sincerely yours,

Hillary

Hillary Rodham Clinton

cc. Melanne
Jack L
Jen

HOUSE OF REPRESENTATIVES
WASHINGTON, D. C. 20515

STEVE NEAL
NORTH CAROLINA

July 26, 1994

The First Lady
The White House
Washington, D.C. 20500

Dear Mrs. Clinton:

Attached is proposed language for including effective and cost-effective prevention programs in your health care plan. I have given similar language to Dick Gephardt, and he has agreed to get it included in the bill we'll consider in the House.

While our current medical emphasis on early detection and cure of disease is necessary now, for the future we should also encourage, recognize and require payment for those preventive measures which (and only which) can be scientifically proven to be effective and cost-effective. The most serious and painful diseases (cancer, stroke, heart disease, arthritis, diabetes, etc.) are in large part preventable. This emphasis on prevention, I'm suggesting, can save us a lot of money and human suffering in many, some as yet unseen, ways.

You seemed to support this approach when I mentioned it to you last Thursday at our meeting with Dick Gephardt. Please let me have your thinking on it now. Thank you for your outstanding dedication and fine leadership on the health care issue.

Respectfully,

STEPHEN L. NEAL
U.S. Congressman

SLN:bc

Verifiable Cost Savings Through Effective Preventive Medicine and Mental Health Programs

Suggested to add to the health reform bill:

"In addition to the benefits herein described, the National Health Board shall determine those additional preventive programs, and additional programs for mental health and substance abuse (including but not limited to specific in-patient, community-based, workplace, or in-home programs for stress management, nutrition, exercise, treatment of substance abuse and other beahvioral approaches), which have research evidence indicating they are effective and cost effective, and shall include those programs and procedures in the comprehensive benefit package."

Suggested report language:

"Effective programs are defined as programs for which scientific research has demonstrated efficacy for the particular condition or risk factor involved.

"Cost-effective programs are defined as programs with insurance or other health cost data projecting a net reduction in total health care costs within the CBO's projection time period for health care programs, and programs which continue to demonstrate such cost reductions when adopted and covered under this statute.

"One intent of this provision is to encourage health researchers to scientifically demonstrate the effectiveness and cost effectiveness of a wide range of preventive and mental health approaches and to adopt such effective and cost effective approaches under this statute expeditiously, to improve the health of the American people and to reduce the burden of health care costs."

1+1 C F

GEORGE J. MITCHELL
MAINE

United States Senate
Office of the Majority Leader
Washington, DC 20510-7010

FOR IMMEDIATE RELEASE
Monday, September 26, 1994

CONTACT: Diane Dewhirst
202/224-2939

STATEMENT OF SENATE MAJORITY LEADER GEORGE J. MITCHELL REGARDING HEALTH CARE LEGISLATION IN THE 103rd CONGRESS

At the beginning of this Congress I said passage of comprehensive health care reform legislation would be a priority.

I repeated that goal at the beginning of this year, and said I would give it my close attention and all my energy.

Two years ago, Americans made the judgment at the polls that the nation's problems had been subordinated for too long to problems abroad. The pressures on working middle income families from corporate downsizing, defense industry conversion, violent crime, college costs, and inflated health insurance costs all made Americans ask Washington to focus on American needs.

President Clinton and the Democratic Congress responded with a budget that cuts the deficit and has contributed to the creation of four million new jobs in the last two years, and with legislation to reduce crime, improve college loans, broaden trade, speed up the introduction of new technologies and economic prosperity they promise. We also made a strong effort to reform the existing health insurance system so that every American could afford private health coverage as good as that which covers Senators and Members of Congress.

The President made this effort a high priority. First Lady Hillary Rodham Clinton devoted thousands of hours to it. Many members of Congress, mostly Democrats, but including some courageous Republicans, worked to develop reforms in our health care system. We welcomed a President who supported our work on health reform.

Most Americans like our health care system, but they know the health insurance system needs fixing. Too many families have lost insurance because a child got cancer or a father lost his job. Too many families can't afford to pay $300 or $400 a month if the place they work doesn't provide insurance. I believe all Americans have a right to affordable, high-quality health care.

Unfortunately, the overwhelming majority of our Republican colleagues do not agree. Under the rules of the Senate, a minority can obstruct the majority. This is what happened to comprehensive health insurance reform.

Over the past few weeks, I've had a number of productive meetings with Senators in the so-called Mainstream Group to explore the possibility of a modified reform plan. We reached agreement on almost all issues. I believe we could have and would have come to final agreement on the substance of a bill. But that is not the only factor for a successful outcome: Any bill must command the votes necessary to pass. So we all agreed it would serve no purpose to go forward unless we had the necessary votes. I hoped that agreement with the Mainstream group would produce the 60 votes needed to defeat a filibuster.

Regrettably, very few Senate Republicans took this view. The overwhelming majority opposed any health care legislation, even a modest bill to extend health insurance to children and reform some industry practices.

Then, last week, the Republican leaders of the House and Senate said aloud what their colleagues had been saying privately: They will oppose any health care bill this year, modest or not, bipartisan or not.

Even though Republicans are a minority in Congress, in the Senate, they're a minority with a veto. They have the ability to block legislation and they have chosen to do so on health care reform.

Therefore, it is clear that health insurance reform can not be enacted this year.

-30-

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002a. letter	From: Congressman George J. Hochbrueckner, To: Ms. Clinton [partial] (1 page)	3/23/94	b(6)

COLLECTION:
Clinton Presidential Records
First Lady's Office
Pam Cicetti
OA/Box Number: 10599

FOLDER TITLE:
House [103rd Congress]

2014-0159-S
sb267

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

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

GEORGE J. HOCHBRUECKNER
1ST DISTRICT, NEW YORK

COMMITTEES:
ARMED SERVICES

MERCHANT MARINE
AND FISHERIES

NARCOTICS ABUSE
AND CONTROL

Congress of the United States
House of Representatives
Washington, DC 20515-3201

229 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3201
(202) 225-3826

DISTRICT OFFICES:

3771 NESCONSET HIGHWAY
SUITE 213
CENTEREACH, NY 11720
(516) 689-6767

BAGSHAW OFFICE BUILDING
437 EAST MAIN STREET
RIVERHEAD, NY 11901
(516) 727-2152

March 23, 1994

Ms. Hillary Rodham Clinton
First Lady
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Ms. Clinton:

Re: [redacted] 0029

Enclosed please find a letter I received from my constituent, [redacted] 0029 It describes his experience with the medical care system, especially as regards the manner in which he has been treated by his insurance carrier.

[redacted] 0029 felt his story would add significantly to the testimony you have received from across the nation with regard to breakdowns in the system as it exists. I am certain he would welcome any response you may send.

Sincerely,

George J. Hochbrueckner

George J. Hochbrueckner
Member of Congress

GJH:ej
Enclosure

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002b. letter	From: Hillary Rodham Clinton, To: Constituent [partial] (1 page)	8/22/94	b(6)

COLLECTION:
Clinton Presidential Records
First Lady's Office
Pam Cicetti
OA/Box Number: 10599

FOLDER TITLE:
House [103rd Congress]

2014-0159-S
sb267

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

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

THE WHITE HOUSE

WASHINGTON

August 22, 1994

[redacted] 002b

Dear [redacted] 002b

Thank you for writing to share your experiences with the current health care system. I have heard many too many stories like yours -- and each one serves as a reminder of the desperate need for health care reform.

The President has an unwavering commitment to guaranteeing private health insurance to all American families. Without universal coverage, the poor will continue to receive health care through government programs and the wealthy will continue to be able to afford to purchase coverage, while the middle class will remain at risk. Twenty-four million Americans, most of whom work hard to earn a living, will have no insurance coverage at all, and one million will lose coverage each month. And without universal coverage, cost shifting and the need of individuals without insurance to rely on costly emergency care will persist, causing health care costs to continue to skyrocket.

To reach his goal of health security, the President supports shared responsibility for health care costs between employers and employees. Because nine out of ten Americans with private health insurance get it through their employers, the President believes that reform should build on that tradition by asking employers to help pay for their workers' health insurance premiums. Small businesses and people with low incomes will receive subsidies to help pay for private insurance.

The need for health care reform is clear. The President and I will continue to work with Congress to pass legislation that guarantees every American the health security they deserve.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

cc: The Honorable George J. Hochbrueckner

MAR 22 1994

3-20-94

DEAR MR. HOCHBRUECKNER;

WHAT FOLLOWS IS A TRUE STORY. ITS STARTS IN 1980 AND FINISHES I DONT KNOW WHEN; IT IS STILL IN PROCESS. PLEASE READ IT THROUGH BEFORE YOU JUDGE. AND IF YOU CONSIDER IT WORTHY AND POSSIBLY HELPFUL TO THE PRESIDENT, THEN PLEASE PASS IT ON TO HIS CAMP.

(1). I WAS INJURED IN 1980, DEC. 16TH I WAS OPERATED ON (MAJOR SURGERY) IN 1981 JULY. BY DR. PIONTKOWSKI. I SPENT 7 MOS. IN HORRIFIC PAIN AND SUFFERING BECAUSE WAUSAU INS. CO. WOULD NOT GRANT DR. PIONTKOWSKI PERMISSION TO OPERATE ON ME.

(2). THEY SENT ME TO DR. WAGNER OF BAYSHORE. HE PHYSICALLY ASSAULTED ME IN HIS OFFICE. I WROTE TO THE AMA COMPLAINING. WAGNER SAW ME ONCE MORE AFTER THAT AND DESIGNATED ME "PERMANENTLY PARTIALLY" DISABLED."

(3). STILL THEY WOULD NOT GRANT PERMISSION. MY DOCTOR TOLD ME THAT WHAT THEY WERE DOING TO ME WAS ILLEGAL. I CALLED A LOCAL POLITICIAN AND IT HELPED. IN JULY 1981 THEY TOLD PIONTKOWSKI TO OPERATE. BUT WAIT; THE JOYFUL DAY (REMEMBER I'VE BEEN WAITING 7 MOS FOR MY OPERATION). OF MY SURGERY I WALKED UP TO THE ADMITTING DESK ONLY TO BE TOLD THAT WAUSAU CANCELLED MY SURGERY; NO REASON GIVEN. ONE MONTH LATER IT WAS ~~REDO~~ ACCOMPLISHED.

(4) WHEN I WAS INJURED I WAS EARNING $422.00 @ WK. COMP PAID ME $105.00 @ WK.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002c. letter	From: Constituent, To: Mr. Hochbrueckner [partial] (2 pages)	3/20/94	b(6)

COLLECTION:
Clinton Presidential Records
First Lady's Office
Pam Cicetti
OA/Box Number: 10599

FOLDER TITLE:
House [103rd Congress]

2014-0159-S
sb267

RESTRICTION CODES

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

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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

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

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

(5) I STARTED A THIRD PARTY SUIT WITH JASPER + JASPER OF N.Y.C. AND IN 1994 WAS AWARDED $61,000.00 SETTLEMENT.

(6) MY MONTHLY PAYMENTS WERE TO RESUME IN 1998. WAUSAU IS BREAKING LAWS, VIOLATING MY RIGHTS TO FREE SPEECH AND DUE PROCESS, TRYING TO CLOSE MY CASE AND PAY ME NOTHING. I'M ALSO ENTITLED TO "DEFICIENCY COMP" BECAUSE I HAVE NEVER MADE $10.50 AN HR. SINCE THE DAY OF MY ACCIDENT; AND I BELIEVE NEW RATES OF PAYMENT NOW APPLY TO ME.

(ALL THIS I HAVE DOCUMENTATION FOR)

(7) OH YES; I ~~APPEAL~~ APPLIED FOR JOB REHAB BUT WAS TURNED DOWN (INS CO MADE SURE OF THAT.)

BIG QUESTION - SO WHAT; HOW DOES THIS HELP ME. PRESIDENT CLINTON? ANS? (COMMERCIALS FOR PRES'S HEALTH PLAN)

ARTICAL (1) SCENARIO: I'M LAYING (TRUE STORY) ON FLOOR IN LIVING ROOM HOLDING MY KNEE SCREAMING IN PAIN; MY KIDS ARE STARING DOWN AT ME WIFE IS HOLDING MY SHOULDERS YELLING [redacted] (b)(6) 002C (PAIN LASTS ABOUT 30 SECONDS AND ACHED AFTERWARDS FOR 10 MINS. ALWAYS EXISTED IN PAIN FOR SEVEN MOS. LEFT ME PHYSICALLY AND MENTALLY EXHAUSTED AND DISORIENTATED.) AT THIS POINT NARRATOR COULD ASK "WOULD YOU WANT THE INS. CO THAT DID THIS TO BE YOUR INS CO?"

(SCENARIO - COMMERCIAL)

(ARTICAR-2) I'M WAITING IN WAGNER'S OFFICE (EXAM RM) HE ENTERS SAY'S NOTHING: STARES AT PAPER WORK. EVERYTHING IS QUIET. HES SPINS AROUND SUDDENLY AND SCREAMS AT ME, "WHY ARE'NT YOU WORKING? YOUR A BUMM AND A FAKE, YOU SHOULD BE ASHAMED OF YOURSELF," HE BUMPS INTO MY KNEE AND HIS SPITTLE IS FLYING IN MY FACE. "I'M COWERING IN CORNER RETREATING LIKE A FRIEGHTENED CHILD." NARR- (TELL ME MR HOCKBRUCKNER) WOULD YOU WANT THE INS. CO. THAT ALLOWED THIS TO BE YOUR INS. CO.?

8. OH YES! I FORGOT TO TELL YOU, BUT AT THIS POINT I WANT TO TELL YOU THAT IN 1983, WHILE ATTENDING GRUMMAN'S COMPUTER PROGRAMMING SCHOOL A PRESSURE CRACK IN MY SPINE CAUSED BY ACCIDENT AND SEVEN MONTHS OF HOBBLING AROUND WAITING FOR MY OPERATION, BECOMES SO BAD THAT PIONTKOWSKI PUTS ME IN TORSO BRACE FOR EIGHT WEEKS. THE PAIN WAS STRAIGHT FROM HELL. $3,000.00 OF BORROWED MONEY WAS FOREITTED TO SCHOOL; NEVER GRADUATED. (I HAVE DOCUMENTATION FOR EVERYTHING).

(ART 3 SCENARIO)- I'M ENTERING HOSPITAL WITH MY FAMILY; I HUG MY KIDS LOOK AT MY WIFE AND SAY "ITS OVER; I'M FINALLY GOING TO BE HEALED." THE NURSE IN THE BACKGROUND SAYS "NO YOUR NOT- THE INSURANCE COMPANY CANCELLED YOUR SURGERY." I CRIED, I MEAN I AND MY WIFE CRIED; WE BECAME MENTAL JELLYFISH. WOULD YOU

LIKE THIS INS. CO. TO BE YOUR INSURANCE CO.?
(SCENARIO 4), I ENTERING RM. INSURANCE COMPANY'S
LAWYER MR SCHRAM WAVES A PAPER HE SAYS
PIONTKOWSKI SENT IN SAYING I'M NOT DISABLED
ANYMORE. I START TO TELL THEM I HAVE A REPORT
THAT SAYS I AM. THEY TELL ME TO SHUT UP
MY LAWYER MR. TURLEY PUTS HIS HAND IN
FRONT OF MY FACE, ABOUT AN INCH AWAY.
I GO TO MOVE, TURLEY STANDS UP, JUDGE
SAYS "HE HAS LOST MY FILE." "NO FILE, NO
HEARING" "GO BACK TO YOUR DOCTOR". TURLEY RUSHES
MY WIFE AND ME OUT THE DOOR. "WOULD YOU LIKE
YOUR INS. CO TO GET AWAY WITH THIS." THEY DO AND
THEY CAN." DONT TELL ME WE DONT NEED CHANGE.

MR. HOCKBRUECKNER, I WOULD DO ANYTHING
TO STOP THIS NIGHTMARE THAT INS. COMPANIES INFLICT ON
INNOCENT VICTIMS. I HOPE THE PRESIDENT HAS SOME GOOD P.R.
MEN WHO CAN MAKE SOME POWERFUL MESSAGES OUT OF
THESE STORIES. I'LL GIVE YOU ANY DOCUMENT YOU NEED.
I HOPE THERE IS SOMEONE IN MR. CLINTONS CAMP WHO
CAN USE THIS MATERIAL, WHO HAS THE NERVE AND RESOLVE
TO STAND UP TO THESE CRIMINALS.

P.S. CANT TYPE WELL, SORRY.

(b)(6)

NOW YOU MIGHT SAY THIS IS COMP.
SO WE CANT DO ANYTHING, BUT
MY RIGHTS TO FREE SPEECH
AND DUE PROCESS WERE DEFINITELY
VIOLATED AND THATS A FED. OFFENSE.

3/1/93 orig to Maggie

MICHAEL J. KOPETSKI
5TH DISTRICT, OREGON

218 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3705
202-225-5711
FAX: 202-225-9477

COMMITTEE:
WAYS & MEANS

Congress of the United States
House of Representatives
Washington, DC 20515-3705

February 16, 1993

HOME OFFICE
THE EQUITABLE CENTER BUILDING
530 CENTER STREET, NE
SUITE 340
SALEM, OREGON 97301
503-588-9100
FAX: 503-588-0963

CLACKAMAS COUNTY OFFICE:
615 HIGH STREET
OREGON CITY, OREGON 97045
503-650-1273

OREGON TOLL FREE: 1-800-548-7179

Hillary Rodham Clinton
The White House
Washington, D. C. 20500

Dear Mrs. Clinton:

I am writing on behalf of my constituent, Dr. F.E. Albi of Portland, Oregon, and renowned Spanish sculptor Santiago de Santiago. Dr. Albi has offered to underwrite the commission of a sculpted bust by Mr. Santiago for presentation to you on behalf of the children of America. Information on Mr. Santiago's work is enclosed for your perusal. Also enclosed are copies of my correspondence with Dr. Albi as well as his correspondence with Oregon Governor Barbara Roberts which outlines his proposal in greater detail.

I know you have a very busy schedule, but I hope you can give favorable consideration of Dr. Albi's proposal in the next several months. If I can be of any assistance in your deliberations, or if you need additional information, please do not hesitate to call on me.

With best wishes,

Sincerely,

Mike Kopetski
Member of Congress

Enclosures
MJK/pag

HOUSE OF ALBI

9878 S. E. King Way
Portland, Oregon 97266

F.E. Albi, Ph.D.
(503) 654-4848

Art Brokerage & Communications

28 January, 1993 ImpEx

Congressman Mike Kopetski
Attn.: Mrs. Gross
218 Cannon HOB
Washington, D.C. 20515-3704

Dear Sir:

I would like to enlist your assistance to present First Lady Hillary Clinton with the gift of a bust of herself by the Spanish sculptor Santiago de Santiago.

Of course, it would be my privilege to underwrite the commission of the art work and to have Mr. de Santiago present it to our First Lady on behalf of the children of America.

My project has been discussed with the Office of Governor Roberts. Governor Roberts was extremely impressed with the artist's work, and her office has suggested that, because of the proximity and influence in Washington, a Congressional Representative would be a more appropriate sponsor.

It is perhaps best that, along with a sample catalog of de Santiago's works, I include copies of the correspondence with the Governor's Office.

Once that the project is approved, it will be essential that Mrs. Clinton decide whether she can find the time to pose for her bust or simply furnish a set of appropriate photographs.

Hoping that you will deem the project worthwhile, I thank you.

Respectfully yours,

F. E. Albi

Encs.

FEA/fma

BARBARA ROBERTS
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
SALEM, OREGON 97310-0370
TELEPHONE (503) 378-3111

January 14, 1993

F. E. Albi, Ph.D.
House of Albi
9878 S. E. King Way
Portland, OR 97266

Dear Dr. Albi:

It was a pleasure discussing your idea of underwriting the creation of a sculpture for Hillary Clinton by artist Santiago de Santiago.

Governor Roberts was extremely impressed with the examples of Mr. Santiago's work you enclosed with your letter, he is certainly a gifted artist.

In discussing the Governor's endorsement of this project, we came to the conclusion that a more appropriate sponsor would be one of Oregon's Congressional Representatives because of their proximity and influence in Washington. We feel the liklihood of completing the logistics of the bust would be far more successful if requested by a Senator or Congressman or woman from Washington and encourage you to contact them to begin the process.

Again, thank you for inviting the Governor to participate in this thoughtful, generous gesture to Mrs. Clinton, we wish you great success with the project.

Cordially,

Barbara Allen
Assistant to the Governor

24 November, 1992

Hon. Governor Barbara Roberts
State Capitol
Salem, Oregon 97310

Dear Governor Roberts,

Last Saturday, Nov. 21, Portland was revisited by an illustrious friend of mine — the Spanish sculptor Santiago de Santiago. We had a lengthy conversation leading to the project I am about to explain.

Reminiscing about his several trips to America, de Santiago recalled his 1987 official visit to the White House where he was invited to present personally a bust of the former First Lady which had been commissioned by the Association of Spanish Journalists. I happened to suggest that First Lady-elect Hillary Clinton would make a more inspiring subject and that he should return to the White House to celebrate the wind of change in American leadership.

The transition from comment to idea and from idea to project evolved spontaneously. Briefly: I would feel privileged being allowed to underwrite the commission of a bust of First Lady-elect Hillary Clinton to be presented personally by de Santiago on behalf of the children of America (and of the world, perhaps — in 1979, de Santiago unveiled in Madrid, Spain, his Monument to the Child, funded by U.N.I.C.E.F., and consisting of a circle of three children of different races dancing hand in hand).

My choice of the official sponsor — *CHILDREN* — is dictated by the caring character of the First Lady-elect, but any other suitable alternative would be welcome.

As a preliminary viewing of de Santiago's work, I am enclosing a pamphlet and one of his catalogs, containing some measure of his art and featuring some of his most famous *subjects*.

Should the project be approved, appropriate details can be attended to in due time.

Respectfully yours,

F. E. Albi, Ph.D.

Encs.

FEA/fma

No response.

THE NEWS & OBSERVER
FRIDAY, JULY 29, 1994

Growers sound rebellious

Talk of new tobacco tax may shift votes to GOP

BY ANDREW WRIGHT
STAFF WRITER

GOLDSBORO — Two years ago, Goldsboro tobacco farmer Waite T. Best went to the polls and cast his vote for a hometown Democrat — U.S. Rep. Martin Lancaster.

But if Lancaster wants Best's vote again this November, the farmer has just one warning: Don't vote for a health care plan that would raise taxes on tobacco.

"Among the farmers, this is a pivotal issue," Best said Thursday as he waited for a tobacco sale at the Victory Warehouse. "If Lancaster votes for any new tax it will hurt me."

As tobacco markets opened this week, tobacco farmers and sellers warned that North Carolina congressmen who support higher taxes on tobacco won't be getting their votes on election day, Nov. 8.

The tobacco tax issue could play a key role in several of the state's congressional campaigns, especially since the more competitive races are expected to be in major tobacco producing or manufacturing districts.

Farmers have heard talk so far of increases in the federal excise tax on cigarettes that range anywhere from 20 cents to $2 to help pay for a national health care system. Universal health care is a linchpin in President Clinton's agenda for Americans.

"I'm a registered Democrat, but I haven't always voted Democratic and I won't vote for any Democrats if a new tobacco tax passes," said Richard Gray, owner of the Victory Warehouse in Goldsboro.

"I won't vote for people who support a punitive tax, and that's what this is," Gray said before the sale. "This tax is a swing issue for a lot of people around here."

Nowhere is the proposed tax more on the minds of voting tobacco farmers than in the state's 3rd Congressional District, which produces an estimated 24.8 million pounds of the gold leaf every year.

Lancaster, who represents the 3rd District, has said he is not in favor of new taxes on tobacco, but he has not ruled out voting for a health care plan that includes higher tobacco taxes.

"Martin might support something that's fair, and that would mean taxing other commodities as well, not just putting the entire burden on tobacco," said Skip Smith, Lancaster's press secretary. "But he hasn't named a limit so I can't give you the answer you want."

Lancaster's stance makes him vulnerable to attack from his Republican challenger, former Democratic state Rep. Walter Jones Jr. of Farmville.

"Lancaster has tiptoed instead of fighting," Jones said in a telephone interview Thursday. "He's just saying, if you tax us, tax them, too. That's not fighting taxes. And you're going to see a lot of people are going to change their party affiliation in protest."

Gerald Taylor, sales supervisor for the Goldsboro tobacco markets, said he thinks the anti-tax sentiment is getting through to Lancaster.

"I think he will learn not to tax the farmer because he realizes what the consequences would be," Taylor said. "The importance of tobacco to Wayne County is $50 million a year. Another tax on tobacco would put a lot of people out of the tobacco business. It would be unfair."

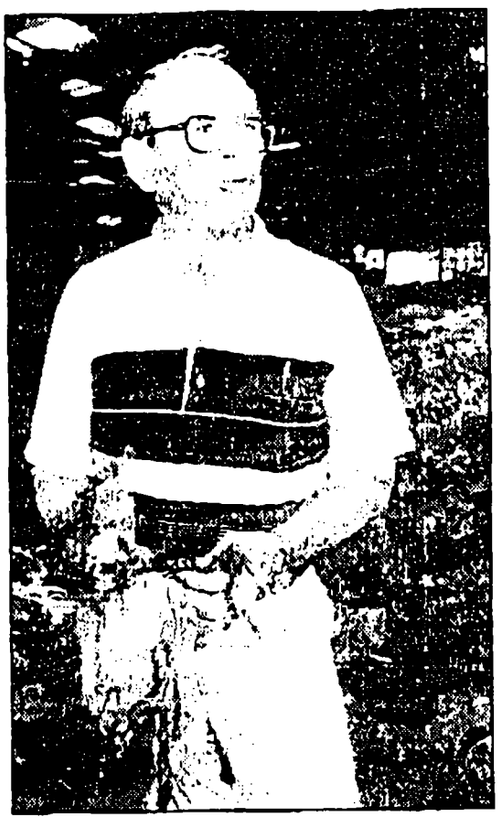
Other congressional districts where the tobacco tax is likely to be a hot issue in the fall campaigns include the 2nd District and the 7th District, where tobacco is a major crop, and in the 5th District, the home of cigarette manufacturing plants for R.J. Reynolds Tobacco Co.

When the Border Belt tobacco market opened Tuesday in the 7th District, anti-tobacco tax feelings were running high there, too.

"If they are going to tax anything they should tax everything, don't single out one item," said Prather Pittman, a retired farmer, on hand for the season-opening sale in Fairmont on Tuesday.

Gale Whitehead, a warehouse operator and tobacco farmer in Fair Bluff, agreed.

"I think we need a health care plan, but let's have it be financed by a 1 percent tax on everything, not just one tax on one product," Whitehead said. "Why anybody would want to destroy the hen that laid the golden egg I can't understand."



'I'm a registered Democrat, but I haven't always voted Democratic and I won't vote for any Democrats if a new tobacco tax passes. I won't vote for people who support a punitive tax – and that's what this is. This tax is a swing issue for a lot of people around here.'

Richard Gray
owner of Victory Warehouse in Goldsboro

'The importance of tobacco to Wayne County is $50 million a year. Another tax on tobacco would put a lot of people out of the tobacco business. It would be unfair.'

Gerald Taylor
sales supervisor for Goldsboro Tobacco Market

~~bcc~~ Patti S.

THE WHITE HOUSE

November 1, 1993

Mrs. Trudi Inslee
2922 Glover Driveway, N. W.
Washington, D. C. 20016

Dear Mrs. Inslee:

Thank you for your letter inviting me to attend the Lab School Gala.

I am aware of the Lab School's innovative programs and commitment to quality education. I regret that because of the enormous demands on my schedule with the introduction of the Health Security Act I am unable to join you and other friends at the gala. Please accept my every best wish for a successful and enjoyable event.

With warm regards, I remain

Sincerely yours,

Hillary

Hillary Rodham Clinton

1019371

JAY INSLEE
MEMBER OF CONGRESS
FOURTH DISTRICT, WASHINGTON

2922 Glover Driveway, NW
Washington, DC 20016

September 16, 1993

Dear Mrs Clinton,

As I have been following your work with the Health Care Task Force, I have been moved by your dedication and sensitivity. May I wish you great success in this effort and with your concerns regarding improved educational opportunities in America.

My husband, Jay, and I have a son who is severely learning disabled. He attends the Lab School of Washington which was founded by Sally Smith who is the current director. We are indeed fortunate to have our son's needs being met by this wonderful school. The Lab School is a "face of hope" to the learning disabled and will enable its students to become productive members of society and, more importantly, confident happy people! I hope you will consider Lab as a model when seeking solutions for the learning disabled.

On this note, Jay and I invite you to experience the Lab concept first hand by attending the 1993 Lab School Fundraising Gala, Monday, November 8th at the Washington Shoreham Hotel. The Gala honors Outstanding Learning Disabled Achievers. Yesterday I had the opportunity to speak to Tipper Gore about the Gala and Lab. Needless to say, an appearance by you and/or Mrs Gore would be enormously appreciated and a great honor to all at Lab. Of course your spouses are more than welcome too!

If you have any questions, please call me night or day. I can be reached at 202/244-2026. Sally Smith may be reached at Lab School - 202/965-6600.

Thank you for your time and consideration.

Sincerely,

Trudi Inslee

THE WHITE HOUSE

WASHINGTON

January 19, 1995

Mr. Patrick Hayes
Mr. Rob Wheeler
1-800-800-LENS
2031 196th Street S.W.
Suite B-202
Lynnwood, Washington 98036

Dear Mr. Hayes and Mr. Wheeler:

The First Lady has asked the White House Counsel's Office to review your letter of September 27, 1994, concerning the activities of eye care professionals.

Because your letter discusses alleged anti-competitive practices, we are forwarding your letter to the Department of Justice for any appropriate action.

Sincerely,

Stephen Neuwirth

Stephen R. Neuwirth
Associate Counsel to the President

cc: The Honorable Maria Cantwell

MARIA CANTWELL
1st District, Washington

1520 Longworth Building
Washington, DC 20515
Telephone: (202) 225-6311

District Offices:
21905 64th Avenue, W., Suite 101
Mountlake Terrace, WA 98043
Telephone: (206) 640-0233

PO Box 185
Poulsbo, WA 98370
Telephone: (206) 697-3112

TOLL FREE
1 (800) 422-5521

Congress of the United States
House of Representatives
Washington, D.C. 20515-4701

PUBLIC WORKS AND TRANSPORTATION COMMITTEE
Subcommittees:
Surface Transportation
Aviation

MERCHANT MARINE AND FISHERIES COMMITTEE
Subcommittee:
Fisheries Management

FOREIGN AFFAIRS COMMITTEE
Subcommittee:
Economic Policy, Trade and Environment

October 4, 1994

First Lady Hillary Rodham-Clinton
The White House
1600 Pennsylvania Avenue NW
Washington, D.C.

Dear First Lady,

Recently, I was contacted by a business in my Congressional District with some specific concerns about the future of health care reform, specifically as it pertains to businesses that supply consumers with contact lenses through the mail.

I assured the proprietor of the aforementioned business that I would forward a letter to your office which explains his dilemma. I would appreciate it very much if you would respond to my constituent's letter and forward a copy of your response to my office.

If I can be of any assistance in this matter, please do not hesitate to contact me.

Sincerely,

Maria Cantwell

Maria Cantwell
Member of Congress

Enclosure

January 19, 1995

The Honorable Maria Cantwell
House of Representatives
Washington, D.C. 20515

Dear Representative Cantwell:

Thank you for sending the letter from your constituents, Patrick Hayes and Rob Wheeler, who own a contact lens replacement service.

Because the letter discusses anti-competitive practices in the eye care industry, I forwarded it to the White House Counsel's Office. A copy of the the Counsel's office response to Mr. Hayes and Mr. Wheeler is enclosed.

I hope that I have been of assistance in this matter.

Sincerely yours,

Hillary Rodham Clinton

CC Neumirth's letter

1-800-800-LENS™

September 27, 1994

First Lady Hillary Rodham-Clinton
The White House
1600 Pennsylvania Avenue NW
Washington, D.C.

Dear First Lady Hillary Rodham-Clinton,

32 states are depriving their residents of major cost savings on health care!

Specifically, eye care professionals in these states have no legal responsibility to release contact lens prescriptions to patients despite the fact that the patients have paid for them.

This raises concerns about professional ethics.

More importantly, it prevents patients from purchasing their lenses elsewhere, often at great savings.

We are the owners of a contact lens replacement service, a prescription fulfillment service for contact lenses. We were incorporated in and have been performing this service since August of 1991.

It is our policy to provide replacement lenses only, meaning that the patient has properly been fit with and prescribed the appropriate contact lens by the patients eye care professional, and that the patient has had the appropriate training on how to put the lenses on the eye, how to take them off, how to care for, clean, and how often to replace the lenses. We only sell fresh, factory sealed contact lenses, be they in vials, or in the case of disposables, in cardboard containers. Consequently, we are able to and do offer our customers a 100% satisfaction guarantee.

While we are not able to save every contact lens wearer money over what their eye care professional is charging, we are able to save a sizeable portion of the population a significant amount of money, ranging anywhere from $1.00 per lens to over $300 for a box of six lenses.

I was just given an example of a woman in rural Kentucky, Melissa Yates of McRoberts, Kentucky, that was charged $130 per lens for Focus lenses that we sell as a box 6 lenses for $46 dollars. In other words, this poor woman paid $260 for a pair of lenses that we sell for $51.50, delivered, for three pair, or $17.17 per pair. This is a difference of $242.30 per pair.

2031 196TH S.W. SUITE B-202 LYNNWOOD, WA 98036 • TEL 1 (800) 800-LENS • FAX (206) 774-6484

However, since Melissa's Doctor will not release a copy of her prescription to her or to our Doctor, Melissa has to pay the price demanded by the Doctor, and, as a result, is not able to replace the lenses as frequently as needed or as suggested by the manufacturer. This is not an example of the type of quality eye health care that every American deserves. While this example is an extreme, it is not a misrepresentation of the attitudes of many eye care professionals throughout America!

According to various industry magazines, (of which *Eyecare Business* and *Optometric Management* are generally considered as the leading journals in the industry), certain eye care professionals make such inappropriate comments to their patients concerning "mail order" as this comment from Jack Schaeffer, O.D. of Birmingham, Alabama. "The patient doesn't know where the lens came from, but he does know that it didn't come from the manufacturer. I tell the patient it's like buying a second, not a first. With most patients, that's all it takes." *Eyecare Business,* November, 1992. While we do not intend to suggest that this type of attitude is pervasive amongst eye care professionals, we find this type of gross misrepresentation of the truth occurs on a daily basis, amongst a certain segment of the Ophthalmic community.

In all 50 states, the eye care professional is required to provide the patient with a written copy of their eye glass prescription, as mandated by a Federal Trade Commission Rule (Eyeglass Rule I). Eyeglass I, however, gives the Doctor the right to withhold the patient's contact lens prescription, citing, in part, the concern of a foreign object being placed on the eye, and the potential problems associated with infection, irresponsible wear, etc.. In eighteen states, however, state law requires the eye care professional to release a copy of the patients contact lens prescription, giving the consumer the opportunity to buy their prescription contact lenses at the best price, or in the most convenient manner. In these more progressive states, the respective legislatures agree with the philosophy that eye health care professionals must adapt the same attitudes and philosophies as their counterparts in the medical profession pertaining to the conflict of interest in writing a prescription and then dispensing prescriptions from the same office, often times in the best interests of the Doctor, and at the expense of the patients. *Money* magazine, May, 1994 suggests "Doctor's may refuse to hand over the prescription, either because they worry you won't return for follow up care or because they're trying to boost profits" *Eye Care Business*, October 1993, states that "many eye care professionals have attempted to fight the mail-order drain by a number of methods. Those tactics include refusing to hand out prescriptions, advising patients against mail-order services, and limiting prescription refill dates.

Yet, such methods are often perceived by patients as dishonest or done in the practitioner's, not patient's, best interest."

In a letter to the editor in the June, 1994 issue of *Eyecare Business* is a letter written by Sol Tabak, O.D., F.A.A.O., from San Diego, California. In his letter titled Countering Mail Order, Tabak states "Contact lens practitioners need to get back to prescribing more custom lenses, soft as well as RGP's. Mass produced lenses foster the philosophy - mistaken in my judgement - that "one size fits all" and that every duplicate lens is an exact copy of the previous lens. Therefore, verification is not necessary.

On the other hand, custom lenses require both verification and fitting evaluation. Custom lenses frequently result in a better physiological and visual result. Mail order companies are not interested in ordering lenses that may require verification.

In my judgement, a good contact lens practitioner will be doing a lot of custom lens prescribing with consequently less concern about mail order discounting".

Isn't it a shame that so much attention be given by eye care professionals to the possibilities that a patient may choose to buy contact lenses through sources other than themselves. It is a chilling thought to imagine the state of this countries medical health care condition if medical Doctors were allowed to operate their practices with this type of attitude and philosophy, of not allowing their patients to buy their prescription drugs from anyone other source than themselves, and at whatever price that the Doctor wishes to charge!

In the state of Texas, we cannot dispense contact lenses without having a written copy of the prescription in our files. *Optometric Management*, May 1994, Dr. Alexander, who is a private practitioner and who also serves at the Philadelphia Veterans Administration Medical Center states "it's common practice for opticians and pharmacists to ask O.D.'s over the phone for optical and medical prescriptions. Because you are working together with these professionals to fulfill the patient's needs".

In spite of our having an Optometrist on our staff, we cannot legally have our Dr. call the patient's Dr. for confirmation of contact lens information. This information must now be provided in writing. However, here is the catch. The Doctor's in Texas are not required to release the contact lens prescription to the patient, or to anyone else, for that matter, effectively holding hostage each and every consumer in that state. If you don't buy your contact lenses from me, you cannot buy contact lenses. In the February, 1994 issue of *Optometric Management*, Dr. Alexander suggests that "laws do a pretty good job of reflecting the morals of society, and they do serve as one set of ethical guidelines.

We all know, though, that laws are often fallible, and frequently controversial. To site an obvious example, some southern states made it legal to prohibit African Americans from using bathrooms and drinking fountains reserved for Caucasians only. It was legal, but certainly wasn't ethical. There's no pillow as soft as a clear conscience."
"Keep that in mind the next time an opportunity for personal gain causes you to question whether you're compromising your professional ethics".

While this is an extreme example of poor judgement on the part of lawmakers, the illustration, we feel, is comparable with the laws that exist today in a number of states pertaining to the consumers rights in regard to their ability to obtain a copy of their contact lens prescription. The eye care professionals in 32 states has no legal responsibility to release the contact lens prescription to the patient, but by refusing to provide the patient with a copy of their contact lens prescription that the patient has paid for raises the question and concern of professional ethics amongst these eye care professionals.

In the May, 1994 issue of *Optometric Management*, is an overview of the ruling by Travis County, Texas, District Judge Margaret Cooper, when Lens Express brought suit against the Texas Optometry Board and the Attorney General of Texas. Lens Express had sought a declaratory judgement that articles of the Texas Optometry Act, as interpreted by the Texas Optometry Board, allows O.D.'s and ophthalmologists to "exclusively control who sells contact lenses and at what price those lenses are sold." Judge Cooper granted the Board's motion for summary judgement which asserted that: there could be no monopoly when more than 1,800 O.D.'s practice in Texas; and that the Texas legislature has constitutional authority to regulate the practice of optometry. The day after Judge Cooper's ruling, a spokesperson for Lens Express issued the following statement: "We believe the District Court committed a reversible error in granting the summary motion without considering the evidence, including the expert testimony of several Texas eye doctors, who state that there is no health and safety reason for withholding a patient's contact lens prescription, assuming expiration dates are enforced".

What we don't understand, and the question that we pose to the Optometrists and Ophthalmologists who refuse to give their patients a copy of their contact lens prescription includes; If a medical Doctor feels that it is acceptable and appropriate to give their 13 and 14 year old diabetic patients insulin to inject themselves to regulate diabetes, a potentially life threatening situation should it not be administered properly, and the Doctor believes that the teenager is responsible enough to act appropriately in this situation, why do certain elements of the eye health care industry feel that it is acceptable and

appropriate to withhold contact lens prescriptions from their patients, citing safety concerns? Are they suggesting to the American public that contact lens wearers are not responsible enough to know if they are having problems, are experiencing discomfort or irritation, etc. that they should contact their eye care professional?

It is also very interesting to compare the premiums for malpractice and liability insurance policies being charged Medical Doctors as opposed to the $200-300 per year that the average Optometrist will pay for the same coverage. This is a clear indication from an impartial third party as to the degree of liability and the potential for liability problems associated with the eye health care industry.

According to Dr. Gailmard, group practitioner in Munster, Indiana, and Professor at the Illinois College of Optometry, taken from the June 1994 issue of *Optometric Management*, "Prescribing contact lenses is no more difficult than prescribing medications for glaucoma, and I don't get any special fees for glaucoma treatment, nor do I make anything on materials"

If others in the profession had a similar attitude and approach to dispensing contact lenses, there would not be such a wide disparity in prices being charged the consumer. Imagine the impact on eye health care costs in regards to contact lens pricing if the free enterprise system were allowed to properly function.

In Canada, contact lenses are not even considered to be prescription items. Their approach seems to be, why would you buy a contact lens that does not fit properly, or that does not correct your vision properly? Canadians understand that the only way to be fit properly for contact lenses is through the eye health care professional. They would no more buy contact lenses that don't fit properly than they would buy shoes that are the wrong size.

What we are asking for in this regard, specifically, is for the White House to direct the Federal Trade Commission to reevaluate and to rethink its position on contact lenses, and to require contact lenses prescriptions to be released to the consumer, as are all other medical prescriptions.

The second issue that we would like to bring to your attention is the policy of certain contact lens manufacturers with regard to selling, or not selling contact lenses to legitimate contact lens prescription fulfillment services, such as ours. Vistakon, a subsidiary of Johnson and Johnson and manufacturers of Acuvue, the giant in terms of market share from a disposable contact lens standpoint, Bausch & Lomb, Ciba Vision, and others have taken the position that we are a diverter, and as such will not sell contact lenses to us either directly or indirectly. Vistakon has gone so far as to place us on a "do not ship to" list, and has threatened Authorized Distributors with cutting them off entirely if they are caught shipping to us.

The Attorney General in the state of Florida has filed suit alleging that the American Optometry Association, nine O.D.'s, Vistakon, and Bausch & Lomb conspired to prevent sales of contact lenses to mail order houses and pharmacies. The conspiracy, it alleges, forced consumers to pay "artificially inflated prices" for contact lenses. Three new cases have also been filed, two in federal court in Florida's middle district, and another in the superior court of San Diego. Additional litigation is expected to be on the way in several states.

We understand that Senator Howard Metzenbaum, chairman of the Senate subcommittee on Antitrust, Monopolies, and Business Rights has been reviewing these issues as they pertain to restraint of trade and antitrust issues. *Eyecare Business*, March, 1993 reports that Senator Metzenbaum "wrote to the FTC saying, in part, that he believes "Mail-order sales can reduce dramatically the cost of contact lenses to consumers." He also wrote, "To the extent that these manufacturers' sales restrictions are related to legitimate health and safety concerns, which cannot be otherwise addressed, they would be appropriate. However, I would be seriously concerned about any concerted activity among the members of this industry that served primarily to increase the cost of contact lenses without providing concomitant health benefits to consumers".

We suggest that contact lens manufacturer's are catering to the demands of the contact lens practitioner, in that fitters and the AOA pressure the manufacturers not to sell to other outlets.

Certain manufacturers advertise their product in such a way as to blatantly suggest that the Doctor prescribe their product, in part so that their patient "is much less likely to seek refills from mail order" *Optometric Management*, July, 1994, sponsored by the RGPLI, "Patients can get the leading disposable from any Tom, Dick, or Harry. But they can only get the new Hydron Biomedics disposable from you" the Doctor, by Ocular Sciences/American Hydron.

This same advertisement appears in *Optometric Management*, February, 1994, and in the same issue, "You are not likely to see Preference available from mail order companies", an advertisement by Coopervision, advertising their new Preference product. This type of advertising is a further illustration of the type of self serving mentality of certain segments of the contact lens industry to preserve their monetary self interests, often at the expense and discomfort of the consumer. The question needs to be raised, is the Doctor prescribing the most appropriate lens for the patient, or is the Doctor more concerned about his own self interests? It has been suggested numerous times in numerous publications, etc. that the eye care professional should be just that, professional, and that he should derive his income based upon his professional advice and service, not on retail sales of contact lenses.

We have been in contact directly with Vistakon, with Allen Richardson, 1-800-876-6622, extension 492, and have asked for written documentation as to why they refuse to sell to us, either directly or through their authorized distributors. We have cited our policy of selling to the consumer only after having verifiable contact lens information in our files, meaning either a copy of the patients contact lens prescription, or in the states that allow, verbal confirmation from the Doctors office that the prescription information is correct, and that we have on file and adhere to the prescription expiration date. This policy appears to be consistent with Vistakons own policy of dispensing contact lenses directly to the consumer, under a Doctor directed program.

The contact lens industry currently is a 1.9 billion dollar a year industry. Industry analysts project that by 1996, as much as 50% of all contact lenses could be sold through legitimate contact lens replacement services such as ours. It is unfortunate that such consumer issues must be resolved through lengthy, expensive legal proceedings, rather than through faster and probably more effective means. State laws may change, and have been changing depending on pressures from consumer advocates and contact lens fitters. Considering that the President understandably views major league baseball important enough to offer White House involvement, and considering that the contact lens industry is also a 1.9 billion dollar a year industry, and that at least 12% of the American population currently wears contact lenses, perhaps the White House would view this issue as significant enough, and important enough to become involved in these consumer driven issues.

What we are asking for in this regard is for the White House to direct the appropriate agencies to review and investigate the policies and practices of Vistakon, Bausch & Lomb, the AOA, etc. in regards to restraint of trade and anti-trust violations. It is our firm belief that this type of investigation is long over due, and is definitely in the best interests of the American public.

We anxiously await your reply, and are at your disposal if you need any additional information.

Sincerely,

Patrick Hayes Rob Wheeler

cc: Congresswoman Maria Cantwell