Jacobs, Andrew, Jr.

THE WHITE HOUSE

WASHINGTON

January 30, 1996

The Honorable Andy Jacobs, Jr.
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Jacobs:

Thank you for your letter about medical savings accounts (MSAs). The Administration continues to have concerns about MSAs in Medicare, as I know you do, as well as in the private health insurance market. We believe that MSAs will create opportunities for adverse selection because only "good risks" -- people who do not anticipate spending too much on health care and who can afford to pay for most of their health expenses out of pocket -- will chose MSAs. We also still believe that people in MSAs will have less incentive to seek preventive health care. While the Administration wholeheartedly supports your efforts to make health care more affordable for American families, we think that it would be wise to move cautiously in this area.

I have shared your letter with staff at the Treasury Department. Eric Toder, Deputy Assistant Secretary (Tax Analysis), can be reached at 622-0120 and would be happy to talk with your staff about the Treasury Department's substantive and administrative concerns as well as about ways to address them.

Sincerely yours,

Hillary

Hillary Rodham Clinton

CONGRESS
of the
United States of America
Ways and Means Committee

Andy Jacobs, Jr.

December 19, 1995

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

Dear Ms. Clinton:

I hope the Administration can see its way clear to accepting the Medical Savings Account proposal as it applies to those in the work force.

I myself opposed application of the idea to Medicare.

When you testified before Ways and Means you said you were concerned about the possibility that the Savings Accounts would be disincentives for medical attention when needed. Of course we already know that there is enormous incentive in the third party payer system for overutilization.

I think the answer to your concern is that the Medical Savings Account legislation before Congress does not allow withdrawal from the accounts at the end of each year. One must wait until age sixty-five.

I think that is the happy medium between disincentive to be frugal and obtaining medical care and disincentive from being prudent and obtaining such medical care when it is commonly indicated.

I presume to enclose a so-called Dear Colleague letter I sent out awhile back.

Thank you for your kind attention.

Sincerely,

ANDY JACOBS, JR.

AJ/tr

Enclosure

2313 Rayburn Building
Washington, D.C. 20515-1410

46 East Ohio Street, Room 441-A
Indianapolis, Indiana 46204-1982

CONGRESS
of the
United States of America

April 12, 1994

MEDICAL COST CONTAINMENT DREAM BILL

If you look up the term, **"DREAM BILL"**, here's what you ought to find.

Noun. Singular. 1. A bill which effectively brings human nature to bear on the vexing problem of medical cost containment without costing the U.S. Treasury a penny or any other amount. 2. A bill which is enthusiastically supported by conservative Bill Archer (R) and parsimonious progressive Andy Jacobs (D).

Mr. Pat Rooney of Indiana has come up with a crackerjack idea which is neither liberal or conservative, just big time common sense.

Here's how it works:

The employer who spends and deducts, say $4,500 per year per employee for family health insurance, would be given the option of using about 35% of the deductible expenditure each year to buy for each employee a catastrophic health insurance policy which kicks in above $3,000 of medical expense. Such policies at this average price are not myths. They are being sold by real companies and are paying real claims today.

The other 65% of deductible medical insurance expenditure per employee, or $3,000 would then be placed in a medical account for each employee to draw from during the year for the purpose of routine family medical expenses.

If the employee spends less than $3,000 each year, the remainder goes into that employee's personal IRA. In other words, the employee has incentive to give some thought to whether he or she will utilize the medical system on the one hand or put it into his or her individual retirement account on the other. And the employee's individual account is portable from job to job (50% of the 30-some million medically uninsured are uninsured for 4 months or less).

Right now with third party payers (insurance) an employee is pretty much in a what-the-heck position of, "why not go to the doctor with this sniffle or hang nail. It's no skin off me."

Multiply that employee's logical decision by millions and you have a mighty force of human nature reducing unnecessary demand for expensive medical services. And under any reasonable reckoning from the principle of supply and demand, prices should fall.

What if the employee's family medical expenditure exceeds $3,000 in a year? **NO PROBLEM.** The average $3,000 deductible, catastrophic policy takes hold and pays all the way up to $1 million.

Mr. Rooney has done his country a significant service. He has cut through the middle of complicated bureaucratic formulas aimed at imposing medical cost containment and he has come up with a solution to be naturally administered "by the people" and it is very much "for the people". Rather Lincolnesque.

This bill **(H.R. 3065)** is not controversial. It is not in conflict with various insurance reform proposals. It stands on its own and speaks for itself.

Here's an example: A sample of small employers from New Orleans to Grand Rapids, Michigan, switched to insurance plans that cover all family medical expenses above $2,000. By switching, they generated premium savings of $2,166 per family, more than enough to create a Medical Savings Account for each family. The problem, is under the present law, the Medical Savings Account is taxable income, but paying the same money for insurance is tax-free. Our incentives are going the wrong way.

If you would like to join Bill Archer, Bob Torricelli, Jim Inhofe, Bill Lipinski and Glenn Poshard, please call De Ray Elder at x54011 to co-sponsor.

Andy

ANDY JACOBS, JR.

House of Representatives
Washington, DC 20515
June 11, 1995

THE ARCHER-JACOBS
FAMILY MEDICAL SAVINGS AND INVESTMENT ACT

Dear Colleague:

Tomorrow we will introduce the Family Medical Savings and Investment Act. Because of the overwhelming number of inquiries regarding this legislation, we thought you might be interested in a summary of the bill.

Deductible contributions to MSAs
o A deductible contribution could be made to an MSA for any month in which the individual is covered by a catastrophic health plan

o A catastrophic plan is one that has a deductible amount of at least $1,800 for an individual or $3,600 for a family

o The maximum annual deductible contribution would be the sum of the following amounts determined separately for each month: 1/12 of the lesser of $2,500 ($5,000 for families) or the deductible under the catastrophic health plan for each month in which the individual (and family if a group plan) is eligible for that month

o After 1995, dollar limits would be indexed for increases in the medical care component of the consumer price index (CPI)

Employer contributions to a MSA
o Such contributions, to a MSA on behalf of an individual, would be excludable from gross income and wages for employment tax purposes

o The amount excludable could not exceed the deduction limit applicable to the individual (determined without regard to the employer contributions)

Definition and tax treatment of MSAs
o A MSA would be a trust created exclusively for the purpose of paying qualified medical expenses (QMEs) of the MSA holder and his or her family

o The trustee could be a bank, insurance company, or other person that certified by the Secretary of the Treasury

Tax treatment of distributions
o Distributions for QMEs are excludable from gross income

o QMEs are defined by section 213 of the Internal Revenue Code except that MSA expenses for insurance premiums other than a catastrophic plan or long-term care insurance premiums would not be included

o Amounts not used for QMEs are included in gross income with an additional tax of 10 percent

Flexible spending arrangements (FSA)
o Amounts in a health FSA could be transferred to an MSA for an eligible individual on a one time basis

o Such transfers would be excludable from gross income

Effective Date
o The bill is effective with respect to the taxable years beginning after December 31, 1995

If you have would like to be an original cosponsor to the Family Medical Savings and Investment Act, please contact Andrew Shore of Congressman Archer's staff at x52571.

Andrew Jacobs
Member of Congress

Bill Archer
Member of Congress

THE WHITE HOUSE

WASHINGTON

March 13, 1996

The Honorable Andy Jacobs, Jr.
U.S. House of Representatives
Washington, D.C. 20512

Dear Congressman Jacobs:

Thank you for your letter about giving academic credit to students who volunteer to work in homes to improve the communication skills and literacy of poor children. Section 501(a) of the Family Support Act authorized Early Childhood Development Program demonstration projects that would test various approaches, including using student volunteers in poor homes. The Administration fully supports these demonstration projects. However, they have not yet been implemented because Congress has not appropriated funds for them.

Thank you again for writing.

Sincerely yours,

Hillary

Hillary Rodham Clinton

CONGRESS
of the
United States of America

Ways and Means Committee

Andy Jacobs, Jr.

February 29, 1996

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

Dear Ms. Clinton:

When you testified before the House Ways and Means Committee I asked if the Clinton Administration would implement a provision in law which I had sponsored to encourage universities to give academic credit to students who volunteer to visit poor homes and participate somewhat in the care of very small children, giving casual lessons in linguistics and conflict resolution. Chairman Rostenkowski suggested a one word answer and you said yes.

Later I met with Secretary Shalala and some of her HHS colleagues, I made the same request and received an essentially positive reply.

But I don't believe it ever happened. The concept is not complicated and I don't think it would be expensive to detail some HHS personnel for negotiations with the several universities throughout the country. So, in the words of our great leader, Ronald Reagan, here I go again.

Etcetera.

Thank you for your kind attention.

Sincerely,

ANDY JACOBS, JR.

AJ/tr

2313 Rayburn Building
Washington, D.C. 20515-1410

46 East Ohio Street, Room 441-A
Indianapolis, Indiana 46204-1982

THE ROAD TO PEACE IS PAVED WITH JUSTICE

THE WHITE HOUSE

July 22, 1993

Honorable Andy Jacobs, Jr.
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Jacobs:

Thank you for your letter in support of the invitation extended by the Annual Women's Forum in Indianapolis.

Unfortunately, my schedule does not permit me to participate in every event that I would like to attend, and I was unable to accept this invitation. I trust that the Forum was a success, and hope you will pass on my sincere regrets to Ms. Darlene Caldwell.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton

MRS /55
file

CONGRESS
of the
United States of America

Ways and Means Committee

Andy Jacobs, Jr.

May 28, 1993

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

Dear Ms. Clinton:

Enclosed is a letter I received from the organizers of the Annual Women's Forum in Indianapolis.

They would like for you to attend but understand that you probably can't.

As the letter indicates, they would appreciate very much a representative or a letter of greeting from you.

I presume the letter could be sent to Ms. Darlene Caldwell at the U.S. Customs Service in Indianapolis,

Thank you for your kind attention.

Sincerely,

ANDY JACOBS, JR.

AJ/dm

Enclosure

DEPARTMENT OF THE TREASURY

U.S. CUSTOMS SERVICE

INDIANAPOLIS, INDIANA

May 20, 1993

Ms. Theresa Guise
Special Assistant
Office of Congressman Jacobs
2313 Rayburn
Washington, D.C. 20515-1410

Dear Ms. Guise:

Per our conversation, I am mailing to you information regarding our Sixth Annual Women's Forum from June 7 to 10, 1993, at the Radisson Plaza & Suite Hotel Indianapolis. These forms may be duplicated in the event you need more.

As we discussed, we would be honored if First Lady Clinton would be able to attend our Forum, however, is she is unable to we would appreciate a representative or a letter from her to be read. This would be very encouraging and inspiring to our employees.

Per my conversation with Ms. Mable Williams, Staff Assistant in the Indianapolis office, its my understanding that she will be the representative for Congressman Jacobs. Your entire office is certainly invited and more than encouraged to attend. Please call me if you have any questions about this Forum at (317) 298-1011.

Sincerely,

Darlene M. Caldwell
EEO Manager

Enclosures

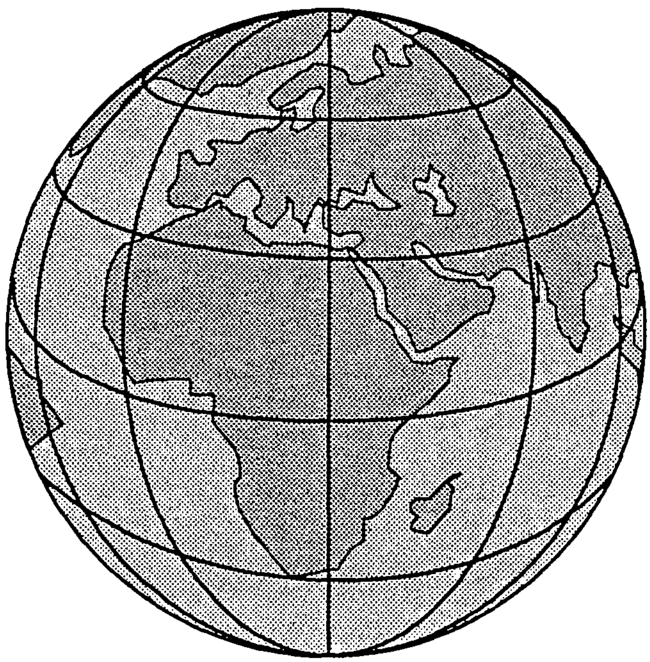
6026 Lakeside Blvd. 46278

attn: EEO office

U.S. Customs Service

6th ANNUAL WOMEN'S FORUM

1993



Discover a New World:
Women's History

June 7-10, 1993

THE WHITE HOUSE

June 15, 1993

Honorable Andy Jacobs, Jr.
U.S. House of Representatives
Washington, D.C. 20510

Dear Rep. Jacobs:

Thank you for your letter in support of the invitation extended by the Economic Club of Indianapolis. Unfortunately, my schedule does not permit me to accept every request that I would like to honor. If I am able to participate in this worthwhile event, I will contact Ms. Leslie Lenkowsky directly.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton

CONGRESS
of the
United States of America
Ways and Means Committee

Andy Jacobs, Jr.

CS

June 8, 1993

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

Dear Ms. Clinton:

Enclosed is a letter which was recently sent to you by the Economic Club of Indianapolis.

They would be grateful if you would accept an invitation to speak to the Club in November.

This is quite a prestigious group and I hope you might consider the invitation.

Thank you for your consideration.

Sincerely,

ANDY JACOBS, JR.

AJ/dm

Enclosure

2313 Rayburn Building
Washington, D.C. 20515-1410

46 East Ohio Street, Room 441-A
Indianapolis, Indiana 46204-1982

INDIANAPOLIS
CHAMBER
OF COMMERCE

May 13, 1993

Ms. Hillary Rodham Clinton
Chairperson
The Health Care Task Force
The White House
Washington, D. C. 20500

Dear Ms. Clinton:

As chairman of its program committee, I am writing to invite you to speak at a luncheon of the Indianapolis Economic Club this coming November.

The Economic Club is one of the most important organizations in the life of the local business and professional community. Sponsored by the Indianapolis Chamber of Commerce, the Club holds a monthly luncheon, attended at times by over 1000 people, at the Convention Center. It is a prestigious event, featuring a nationally or internationally prominent speaker on public affairs. Among those who have addressed us this year or in the past have been Alice Rivlin, John Kenneth Galbraith, Senator Lugar, Congressman Hamilton, then-Vice President Quayle, Jeane Kirkpatrick, then-Defense Secretary Dick Cheney, the Prime Ministers of the Baltics nations, Alan Greenspan, and Ben Bradlee, to list but a few of the prominent office-holders and other leaders who have graced our platform.

My colleagues on the program committee and I believe you would make a most appropriate addition to this group for two reasons. First, and most important, the work you are doing on health care reform is -- and will continue to be -- of great interest to the business people and professionals in the Economic Club. As you know, Indianapolis has a large pharmaceutical and medical community, as well as a number of major health insurers. While some of them may not favor the kinds of changes the Clinton administration is likely to propose, all of them -- as well as the others in our audience -- are eager to have a better understanding of how you and your colleagues on the Health Care Task Force perceive what needs to be done and to join with you in finding ways to achieve quality care for all our citizens. Your coming to

320 North Meridian Street ■ Indianapolis, IN ■ 46204
Phone: (317) 464-2222 ■ FAX: (317) 464-2233

Ms. Hillary Rodham Clinton
May 13, 1993
Page 2

Indianapolis during what I would imagine will be an important period in the consideration of the Clinton administration's proposals is likely to be of great value, both for us and for the President's agenda.

In addition, this fall, our Convention Center will be opening a new ballroom, capable of seating over 2000 people. Since a meeting of the Economic Club has been chosen as the inaugural event, we are anxious to have a speaker who will make it especially memorable and significant for both the city and the state. Your participation would certainly do that, since you would not only be the first First Lady to address us, but also because of the unique and important role you are playing in the administration.

The format of an Economic Club meeting is straightforward. Our speakers are expected to talk for 30 - 45 minutes after lunch and then take written questions from the audience. Other than that it be related to the work of the Health Care Reform Task Force, the specific issues you address would be up to you. (I would be glad to work with your staff on that.) The Convention Center is capable of handling whatever equipment you might need to deliver your talk, as well as all press that might come with you.

At the moment, we have the following dates available for the Economic Club to use in inaugurating the new ballroom: November 1, 16, 23, 24, and 26. If these are not good for you, I would be glad to see if I can obtain others. Although I realize that scheduling yourself so far in advance may be difficult, I hope that in view of the special nature of this event, you may be able to make an early commitment.

I do hope that you will be able to accept this invitation. Your many friends in Indiana would be delighted to have you join the distinguished group of people who have addressed the Indianapolis Economic Club and I think you would enjoy your visit here as well.

Sincerely,

Leslie Lenkowsky
Chair, Program Committee

THE WHITE HOUSE

June 15, 1993

Honorable Andy Jacobs, Jr.
U.S. House of Representatives
Washington, D.C. 20510

Dear Rep. Jacobs:

Thank you for your letter in support of the invitation extended by the Economic Club of Indianapolis. Unfortunately, my schedule does not permit me to accept every request that I would like to honor. If I am able to participate in this worthwhile event, I will contact Ms. Leslie Lenkowsky directly.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton

THE WHITE HOUSE

March 16, 1993

Dear Representative Jacobs:

Thank you for your words of wisdom about working with the AMA and for providing information about your cost containment proposal. I have asked the task force staff to review it.

I also appreciate your recommending Valita Marie Fredland. Although we are not able to hire additional staff for the health care working groups, I hope that you will urge Ms. Fredland to share her recommendations to us in writing.

As the chairman of the Subcommittee on Social Security, you certainly know the challenges we face in developing a comprehensive health care reform package. I appreciate your willingness to help us in this effort.

Sincerely,

Hillary

The Honorable Andy Jacobs, Jr.
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

September 16, 1993

Honorable Andy Jacobs
U.S. House of Representatives
Washington, D.C. 20515

Dear Rep. Jacobs:

Thank you for your letter in support of the invitation extended by the United Senior Action of Indiana. Unfortunately, my schedule does not permit me to take part in every event that I would like to attend. If I am able to participate in this worthwhile event, I will contact your office directly.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton