Simon, Paul

PHOTOCOPY
PRESERVATION

THE WHITE HOUSE

March 9, 1995

Honorable Paul Simon
United States Senate
Washington, D. C. 20510

Dear Paul:

Thank you for sending me a copy of Dr. Wachsman's proposal for a Mothers' Corps for America. I appreciate his commitment to the neediest of our mothers and children and have forwarded his proposal to Eli Segal, Chief Executive Officer of the Corporation for National Service.

With warm regards, I remain

Sincerely yours,

Hillary

Hillary Rodham Clinton

~~cc:~~ Eli Segal

PAUL SIMON
ILLINOIS

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

February 2, 1995
Dictated February 1, 1995

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

Dear Hillary:

I am enclosing a letter I have received from Harvey Wachsman that is largely self-explanatory.

The next time I see you, I will discuss it with you.

Many thanks for looking at it.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

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618/457-3653

HARVEY FREDERICK WACHSMAN, M.D., J.D., FCLM
175 EAST SHORE ROAD
GREAT NECK, NEW YORK 11023
(516) 487-1990

NEUROLOGICAL SURGERY
LEGAL MEDICINE
&
ATTORNEY AT LAW

ADJUNCT PROFESSOR OF NEUROLOGICAL SURGERY, SCHOOL OF MEDICINE, SUNY AT STONY BROOK
ADJUNCT PROFESSOR OF LAW - ST. JOHN'S UNIVERSITY SCHOOL OF LAW
PRESIDENT AND DIPLOMATE OF AMERICAN BOARD OF PROFESSIONAL LIABILITY ATTORNEYS

MEMBER OF THE BARS OF:
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FLORIDA
DISTRICT OF COLUMBIA
COMMONWEALTH OF PENNSYLVANIA
MARYLAND
TEXAS

January 27, 1995

Senator Paul Simon
United State Senate
462 Dirksen Senate Office Building
Washington, D.C. 20007

Dear Paul:

As we discussed, I am enclosing a copy of my letter which was sent, on March 18, 1992, to The Reverend Dr. Calvin Butts of the Abyssinian Baptist Church, New York, New York. I am also enclosing a copy of the letter that was ultimately sent to the Washington Post by The Reverend Dr. Butts who incoporated my text. The date on his letter, incorrectly transposed, should have read April 21, 1992.

For many reasons, I do believe that my proposed Mothers' Corps for America would be a wonderful project for Mrs. Clinton. I am certain, most importantly, that Mothers' Corps would prove most advantageous for all Americans. Thank you for agreeing to give this proposal directly to Mrs. Clinton.

Best wishes and warmest personal regards.

Sincerely,

HARVEY F. WACHSMAN, M.D, J.D., FCLM

HFW:gf

PEGALIS & WACHSMAN, P.C.
ATTORNEYS AND COUNSELLORS AT LAW
175 EAST SHORE ROAD
GREAT NECK, NEW YORK 11023

STEVEN E. PEGALIS
HARVEY F. WACHSMAN, M.D., J.D., FCLM
MEMBER OF NEW YORK, CONNECTICUT, FLORIDA, DISTRICT OF COLUMBIA, COMMONWEALTH OF PENNSYLVANIA, MARYLAND AND TEXAS BARS
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WALTER W. PEGALIS
OF COUNSEL

CAROLE L. GUTTERMAN, PH.D., CURN
NURSE CONSULTANT
ASSOCIATE IN SCIENCE ACLM

OUR FILE NO. _____

March 18, 1992

Dr. Calvin Butts
Abyssinian Baptist Church
132 West 138th Street
New York, New York 10030

Dear Dr. Butts:

MOTHERS CORPS FOR AMERICA

Facing The Problems of Our Inner Cities

Single mothers -- sometimes only children themselves -- make up a growing portion of the population of America's inner cities. Many of them and their children fall victim to the problems that plague these communities -- drugs, crime, prostitution, hopelessness.

In addition, studies consistently show that a large percentage of our homeless population is comprised of children and single mothers. All too often, the children in these families will grow up to become single parents as well, repeating a vicious cycle that will devastate the lives of millions of people.

As tragic as the human and social cost is, however, policy makers also need to consider the very real financial cost of our country's failure in this area. Single mothers with dependent children often require significant social service assistance -- the cost of which is spiraling upward. If we fail to break this cycle in the future, many of these children will resort to drug abuse and crime and continue the cycle into a third generation.

Creation of a Mothers Corps For America

Despite the numerous obstacles, there are many mothers who overcome their circumstances and drive themselves and their children to succeed. We need to harness the energy and the talents of these successful mothers into a "Mothers Corps For America."

The President would appoint 50 mothers -- one from each state -- and each member of the House of Representatives and the United States Senate would appoint one mother from his or her district. These 50 Presidential Mothers, 100 Senatorial Mothers and 435 Congressional Mothers would each receive a certificate and an honorary medal recognizing their contributions and a small stipend to be used in connection with their work. These would not be political appointments, but rather based on merit. The mothers selected would have to have demonstrated that they have already had significant successes in overcoming the pitfalls of inner city life by raising children who lead exemplary lives.

At given intervals, specific inner city communities could be targeted and the entire Mothers Corps could literally march together into that community and begin their efforts to reach out to other mothers in the area and their children. In essence, their message would be: "It's not inevitable that your children will fall victim to drugs or violence. You can push him to succeed, you as the parent are the key. I did it and so can you."

The mothers would also travel around their own communities, talking to other mothers, acting as role models, offering a sense of hope and providing practical guidance to those mothers who are struggling. They would show all the mothers and children in their communities that if they strive for excellence, they can change their futures.

While the creation of a Mothers Corps would clearly not be a cure-all for the serious problems that face the residents of our inner cities, it would be a critical first step in turning the tide away from the poverty and despair that affect so many of America's citizens.

Costs Versus Return

This entire project could be launched for approximately $1 million a year -- a small cost given the enormous returns that are possible. In addition, it is likely that significant funds could be raised from businesses, foundations and other private sources to defray many of the costs.

If each member of the Mothers Corps is responsible for turning around the life of just one other mother and her children, thousands of lives will be saved within a very short period of time. Each year, the Corps could be invited to bring with them to a reception in Washington all those families who they have helped turn from despair to hope. The image of these families would in and of itself send a message of hope to the entire nation.

We will be able to measure the success of this project in a variety of ways. We will see it in terms of reduced crime in our inner cities, a reduced drop-out rate in our schools, shrinking welfare rolls and increased employment. But more important, as we look around that room in Washington -- at a gathering of thousands of mothers -- we will see the evidence of our success in terms of the lives we have helped to shape.

Sincerely,

HARVEY F. WACHSMAN, M.D., J.D., FCLM

HFW:gf

Telephone (212) 862-7474 - 5
Fax (212) 862-3255

Founded 1808 - Erected 1923

THE ABYSSINIAN BAPTIST CHURCH

132 ODELL CLARK PLACE
(Formerly 132 W. 138th Street)
NEW YORK, N.Y. 10030

CALVIN O. BUTTS III, D.Min.
Pastor

SAMUEL D. PROCTOR, Th.D.
Pastor Emeritus

FRANK M. HANEY
Chairman, Deacon Board

VENIA R. DAVIS
Church Clerk

JEWEL T. THOMPSON, Ph.D.
Minister of Music

ARTHUR R. RANSOME
Chairman, Trustee Board

JOHN O. PENNINGTON
Treasurer

GEORGE W. LEWIS
Chairman Emeritus
Deacon Board

April 21, 1991

Meg Greenfield, Editor
Editorial Page
The Washington Post
1150 15th Street, NW
Washington, DC 20071

MOTHER CORPS FOR AMERICA

Facing The Problems of Our Inner Cities

Single mothers -- many only children themselves -- make up a growing portion of the population of America's inner cities. Many of them and their children fall victim to the problems that plague these communities including drugs, crime, prostitution, hopelessness.

Moreover, studies consistently illustrate that a large percentage of our homeless population is comprised of single mothers and children. All too often, the children in these families will grow up to become single parents as well, repeating a vicious cycle that will devastate the lives of millions of people.

As tragic as the human and social cost is, however, policy makers also need to consider the very real financial cost of our country's failure in this area. Single mothers with dependent children often require significant social service assistance -- the cost of which is spiraling upward. If we fail to break this cycle in the future, many of these children will resort to drug abuse and crime and continue the cycle into a third generation.

Creation of a Mothers Corps For America

Despite the numerous obstacles, there are many mothers who overcome their circumstances and drive themselves and their children to succeed. We need to gather the energy and the talents of these successful mothers into a "Mothers Corps For America."

The Mothers Corps for America will work like this -- the President would recognize and appoint an exemplary mother from each of the 50 states. In addition, Senate and House leaders would also identify a special mother. These mothers would each receive a certificate and an honorary medal recognizing their contributions and a small stipend to be used in connection with their work. These would not be political appointments, but rather based on merit. The mothers selected would have to have demonstrated that they have already had significant successes in overcoming the pitfalls of inner city life by raising children who lead exemplary lives.

At given intervals, specific inner city communities could be targeted and the entire Mothers Corps could literally march together into that community and begin their efforts to reach out to other mothers in the area and their children. In essence, their message would be: "It's not inevitable that your children will fall victim to drugs or violence. You can push them to succeed, you as the parent are the key. I did it and so can you."

The mothers would also travel around their own communities, talking to other mothers, acting as role models, offering a sense of hope and providing practical guidance to those mothers who are struggling. They would show all the mothers and children in their communities that if they strive for excellence, they can change their futures.

Indeed, A Mothers Corps For America would not take care of all the serious problems facing the residents of our inner cities, but we believe, it is a beginning -- a first, critical step that can help turn the tide away from the poverty and despair that affect such a large segment of America's citizens.

Costs Versus Return

This entire project could be launched for approximately $1 million -- a small cost given the enormous returns that are possible. In addition, it is likely that significant funds could be raised from businesses, foundations and other private sources to defray many of the costs.

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Sincerely,

Rev. Calvin O. Butts, III, D.Min.

Harvey F. Wachsman, M.D., J.D., FCLM

Benjamin G. Carson, M.D.

HWR
3/17/95

P.S./*WASHINGTON*

a column by
U.S. Senator Paul Simon of Illinois

The Haters Target Hillary Rodham Clinton

When I was about nine years old, my father took me to hear Eleanor Roosevelt speak. Even as a nine-year-old, I knew she had sparked controversy. My father, a Lutheran minister, told me that she stood for helping those in great need.

Years later I had the opportunity to meet her a few times, and on one occasion to sit next to her at a dinner. A plainspoken woman of simple tastes but obvious conviction, she somehow stirred passionate opposition.

History now regards her as one of our finest first ladies.

I mention this because in a somewhat similar way, Hillary Rodham Clinton manages to generate strong feelings of disapproval from some. I confess I do not understand it.

I saw her leadership on the health care issue, and while some mistakes were made and the nation did not get health coverage for all our citizens, I have yet to meet anyone who sat in any of those meetings who did not come away impressed by her ability, her mastery of the subject, and her sincerity.

"Hillary Clinton's critics are noisier than her supporters. That is always the case."

In one interview that has been published, she half-apologized for the way she has handled things.

She is not the person who should apologize; it is the mean-spirited haters who should reflect on their response.

There are those who expect the first lady to be present on official occasions, smile sweetly at the appropriate time, cut a ribbon for a new building or enterprise now and then but otherwise be devoid of opinion or influence.

That day has passed.

I have served under five presidents, beginning with Gerald Ford. All of their wives, starting with Betty Ford, are known to have played a role in public matters. Hillary Clinton has done it more openly.

Senator Bob Dole is the leading Republican candidate for President today. If he should be elected, Elizabeth Dole, a former cabinet member and now president of the American Red Cross, will not be some decorative figure sitting on the sidelines. "Liddy" Dole will make her presence felt on the national scene, if that situation arises, and I would want her to do that.

My wife, Jeanne Simon, has contributed significantly to what I have been able to do in public life, and I am grateful to her for that, and proud of her for that.

President Clinton brought to the White House someone whose leadership and base of conviction means much to all of us.

Her critics are noisier than her supporters. That is always the case.

But she should know that there are many of us who are grateful to her.

(May Be Used Upon Receipt)
For Release: February 26 - March 4, 1995
Column Topic: Hillary Rodham Clinton

PAUL SIMON
ILLINOIS

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

February 17, 1995
Dictated February 16, 1995

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

Dear Hillary:

I thought you might be interested in the enclosed column that I send around to the newspapers in my state.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

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P.S./*WASHINGTON*

a column by
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(May Be Used Upon Receipt)
For Release: February 26 - March 4, 1995
Column Topic: Hillary Rodham Clinton

United States Senate
WASHINGTON, DC 20510-7100

WASHINGTON, DC 200 PM 22 FEB 1995

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

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THE WHITE HOUSE

August 24, 1994

Mr. Edward Rattner
374 Bienterra Trail
Rockford, IL 61107

Dear Mr. Rattner:

Thank you for your thoughtful suggestions and comments about health care reform.

The President continues to fight to guarantee health security to all American families. And because nine out of ten Americans with private health insurance get it through their employers, the President believes that reform should build on the tradition of health insurance provided at work.

However, as you suggested, in some areas of the country a single-payer health care system may be more effective. The bills introduced by Senator Mitchell and Congressman Gephardt preserve a state's right to adopt a single-payer system. Within a national framework guaranteeing coverage and real access to health care services, states are given the flexibility to implement a system that best meets the needs of their citizens.

Thank you again for writing. The President and I greatly appreciate your support as we continue to work with Congress to guarantee Americans the health security they deserve.

Sincerely yours,

Hillary Rodham Clinton

Hillary Rodham Clinton

cc: The Honorable Paul Simon

PAUL SIMON
ILLINOIS

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

July 11, 1994
Dictated July 10, 1994

Mr. Edward Rattner
374 Bienterra Trail
Rockford, Illinois 61107

PAR J 7/19/94

Dear Ed:

Thanks very much for being at the town meeting. I will pass your letter along to Mrs. Clinton, and I have read it, as you suggest.

I can assure you that no one has bypassed the single-payer plan. Part of the proposal of our committee and of President Clinton is to include the single-payer plan as an option. But one of the realities is that we can't wait for each state to move in this direction, and we can't get the votes to pass it nationally. What we have to do is build from where we are. And where we are is different than where Canada, or Germany, or other countries were at this point. The plan that we have provides universal coverage and that is the basic. Then, within the umbrella of universal coverage, if states want to move in the direction of the single-payer system, that is fine.

As you probably know, I am a cosponsor of the single-payer plan, so that has my sympathy, but I am also a political realist.

What I particularly appreciate was your standing up at the town meeting when so many people were making those poorly informed statements.

Sincerely,

Paul Simon
United States Senator

PS:bd

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9/20/93

Dear Mrs. Clinton,

I appreciate all the time and effort you have given to come up with a "Health Plan."

It seems like everybody in the United States acts like our "Health Plan" (however it turns out) is the first plan attempted in the world. Do you know every civilized country has some sort of "Health Plan". It seems to me instead of talking to every interested party in our country and every group also - you should be talking to every country with a plan - to the people, to the Drs and health industry & also the pharmaceutical companies and pick out all the best ideas you can gather from those plans and incorporate them into our "Health Plan."

I notice you have by-passed a single pay plan, which to me seems the best way to go. - May I give you one example why I favor the Canadian Plan.

I happen to go to Arizona every winter. There are about 200 units in the complex with about 50 units belonging to Canadians.

I have spent the entire winter there and had an opportunity to discuss this plan with them. I have not had 1 Canadian speak against this plan, and also seemed very happy with one exception - that is the government insists they come home within 6 months after leaving the country to keep their insurance in force - that is the only negative remark I heard.

I realize to enact a single pay plan at the start would be impossible but eventually that is where we will end up.

I have other thoughts on the above but will suffice to say I will call them to your attention at a future time.

Sincerely

P.S.

Mrs. Clinton. - I believe the very
best health plan we can come up
with should equal that of our
senators and ~~Congressmen~~ and should
cost no more than what they pay.

Edward Rattner
374 Buenterra Tr.
Rockford, Ill
61107
815-399-1742

THE WHITE HOUSE

November 28, 1994

The Honorable Paul Simon
United States Senate
Washington, D. C. 20510

Dear Paul,

Thank you for sending me a copy of your new book and thoughtful inscription. I also appreciate your passing along the *Journal* clips from our friends in Illinois.

Most importantly, I was understanding, but regretful of your recent announcement to not seek re-election. You have set an example for all of us in public life, and I look forward to working with you again over the next two years.

With appreciation and warm regards, I remain

Sincerely yours,

Hillary

Hillary Rodham Clinton

PAUL SIMON
ILLINOIS

United States Senate

WASHINGTON, DC 20510

October 31, 1994

Mrs. Hillary Clinton
The White House
Washington, DC 20500

Dear Hillary:

The enclosed is generally supportive of the President but does have a few suggestions, and I thought you might be interested in it.

Cordially,

Paul Simon

PAUL SIMON
ILLINOIS

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

November 8, 1994
Dictated November 6, 1994

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Hillary:

I thought you might be interested in the enclosed.

Cordially,

Paul Simon
United States Senator

PS/bd
Enclosures

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PAUL SIMON
ILLINOIS

COMMITTEES:
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INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

June 21, 1994
Dictated June 19, 1994

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

Dear Hillary:

Nancy Chen heads my Chicago office and had the enclosed picture taken with you.

If you could autograph it and send it to her, I would appreciate it.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

Nancy Chen
Director
Chicago Office

Paul Simon
United States Senate
Washington, D. C. 20510
(202) 224-2152

230 South Dearborn
Kluczynski Building
Chicago, Illinois 60604
(312) 353-4952

6/29 mailed

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PAUL SIMON
ILLINOIS

COMMITTEES
LABOR AND HUMAN RESOURCES
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United States Senate

WASHINGTON, DC 20510-1302

March 3, 1994

The Honorable Richard Celeste
Democratic National Committee
430 South Capitol Street
Washington, DC 20003

Dear Dick:

Here is a suggestion I have discussed briefly with Harold Ickes, Senator Tom Daschle and two other Senate colleagues, which will put a little more muscle behind your splendid efforts.

Ask each Democratic Senator, who is solidly in your corner and is reasonably articulate on the health care issue, to have a public meeting in each House district in his or her state where the House member is not solidly in your corner, but not in those where he or she is solidly against you or for you. Of the 20 House members in Illinois, for example, there might be four to six who are in this uncertain category.

After the public meeting, have a private meeting involving representatives of groups in the House district, perhaps 20 or 30 people, who are solidly in your corner, and Heather Booth in Illinois or Dick Celeste in Ohio, or someone in either your operation or the White House operation who is articulate and good at organizing grass roots efforts. The Senator and that person should be at the private meeting, as well as the public meeting, and really start things churning for health care reform.

In addition to his or her own state, each Senator should commit to two additional House districts outside of his or her state. For example, in Missouri, neither Senator would help your cause, and I might take two districts there. But I would commit to going wherever you send me, to two House districts outside my state. The Senator would give you the times he or she is free.

What does that do for you?

1.) You reach at least 40 marginal House districts, probably more.

2.) You get the Senators on top of the issue more and to be more enthusiastic about it. Too many are just ducking now.

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3.) You help to mobilize public opinion generally. It should be reflected at least in a small way in the polls, moving the poll results for you instead of against you.

4.) It gives the members in the House and Senate the feeling that things are organized and moving. There is a slow movement of pessimism now creeping in that should be reversed.

If you like the idea, I'll be happy to help in any way I can.

Cordially,

Paul Simon
U. S. Senator

PS/jw

cc: Mrs. Hillary Clinton
President Bill Clinton
Mr. Harold Ickes Jr.
Senator Tom Daschle
Ms. Heather Booth

unlogged

PAUL SIMON
ILLINOIS

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

July 1, 1993

Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC, 20002

Dear Hillary:

I am writing on behalf of one of my constituents, Gerald L. Montroy, an attorney in Belleville, Illinois.

Mr. Montroy has prepared a legal analysis of Illinois' Medical Malpractice Law that we thought you may be interested in. While we realize the constraints on your time, we wanted to make the paper available to you.

Thanks for all you are doing to improve the delivery of health care to all Americans.

My best wishes.

Cordially,

Paul Simon
U. S. Senator

PS/mko
Enclosure

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AN ANALYSIS OF THE IMPACT OF THE CERTIFICATE OF MERIT FOR MALPRACTICE CASES UNDER THE 1985 ILLINOIS MEDICAL MALPRACTICE REFORM ACT

BY

GERALD L. MONTROY[1]

In response to a perceived crisis in the Illinois medical malpractice insurance industry, the Illinois General Assembly enacted the Medical Malpractice Reform Act of 1985 which contained two provisions designed to limit the number of malpractice cases filed. The first provision established a medical review panel which the Illinois Supreme Court declared unconstitutional in 1986 as a violation of equal protection, the judiciary article and the right to trial by jury.[2] The second provision, the requirement of a Certificate of Merit prior to filing a malpractice suit has been held to be constitutional.[3] The Certificate of Merit provision has decreased the number of malpractice lawsuits filed by eliminating frivolous lawsuits. Further, it has been responsible for the physician owned insurance company not increasing its basic premium in recent years. Additionally, it has preserved the court system for those truly in need of its service.

Section 2-622[4] requires both close scrutiny on behalf of the attorney filing a malpractice lawsuit and close scrutiny by the reviewing physician or other health professional prior to the filing of the malpractice lawsuit. A health professional must indicate in a written report there exists a "reasonable and meritorious" cause of action against each defendant. A copy of the report minus the physician's name is filed by the plaintiff or plaintiff's attorney who further files an affidavit stating the affiant has consulted and reviewed the facts of the case with a health professional who the affiant reasonably believes is knowledgeable in the relevant issues of the particular action, practices or has practiced within the last six years, or has taught within the last six years in the same area of health care or medicine that is at issue and is qualified by experience or demonstrated competence in the field of the case, and the affiant has concluded on the basis of the reviewing health professional's review and consultation that there is a meritorious cause for filing such action.

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[1]Partner in the law firm of Carr, Korein, Tillery, Kunin, Montroy & Glass, East St. Louis and Belleville, IL, J.D. 1973 University of Illinois; member of Board of Managers, 1986-1992; Co-Chairmen of the Medical Negligence Committee of the Illinois Trial Lawyers Association 1992-1993.

[2]Bernier v. Burris, 113 Ill.2d 219, 497 N.E.2d 765 (1986).

[3]DeLuna v. St. Elizabeth's Hospital, 147 Ill.2d 57, 588 N.E.2d 1139 (1992).

[4]735 ILCS 5/2-622 (1992), formerly Ill.Rev.Stat. 110, Section 2-622.

Cook County, which encompasses the City of Chicago, reported 1680 malpractice lawsuits filed in 1982; 1908 in 1983; and 2,047 in 1984.[5] Following the enactment of the Certificate of Merit provision in 1985, 1,096 lawsuits were filed in 1987; 1,244 in 1988; 1,242 in 1989; 1,399 in 1990; 1,460 in 1991; and 1,397 were filed in 1992. Comparing the years 1982 through 1984 with 1987 and through 1989, there was a 36% reduction in malpractice lawsuits filed. Comparing the years 1982 through 1984 with 1987 through 1992, there was a 30% reduction in lawsuits filed.

The Illinois Trial Lawyers Association proposed the Certificate of Merit provision which the Illinois State Medical Society enthusiastically supported. Fred White, M.D., Chairman, Board of Governors, Illinois State Medical Inter-Insurance Exchange, stated the Certificate of Merit has been one of the most successful reforms in reducing meritless suits.[6] As a result, the Illinois State Medical Insurance Exchange (ISMIE) has steadily increased its reserves without increasing its basic premium in recent years. ISMIE which is a physician owned insurance company and which insures 50% of the physicians in Illinois has recently announced for the second year the Exchange is providing discounted premium levels to policy holders with loss-free records. A 3% discount is given to policy holders who have experienced no payouts during the past three years and physicians with no paid losses over the past ten years are eligible for discounts up to 10%.[7] Furthermore, orthopedic surgeons rated in Class 6A will pay 8% less premium in 1993.

The Certificate of Merit protects the rights of the victim of malpractice while at the same time protects the physician or health professional from the frivolous lawsuit. As a result, frivolous lawsuits are virtually eliminated. Specific guidelines are set out when the statute of limitations is about to run and when the potential defendant has failed to produce his records within sixty days of the receipt of the request. In the former instance, the affiant must state he was unable to obtain a consultation because the statute of limitations would impair the action. The plaintiff or plaintiffs attorney then has ninety days to file the Certificate of Merit and affidavit. When the health professional fails to provide a copy of his records, the Certificate of Merit must be filed within ninety days of the receipt of the records.

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[5]The 3,166 cases filed in 1985 and the 954 in 1986 cannot be considered in this analysis because a large number of lawsuits were filed prior to the August 15, 1985 effective date of the Act. Consequently, in 1986, a lesser number of lawsuits were filed.

[6]**Illinois Medicine**, March 16, 1990, Page 6.

[7]**Illinois Medicine**, April 23, 1993, Page 1.

The Certificate of Merit has, in fact, defused the perceived medical malpractice insurance crisis in Illinois. Insurance companies writing policies for physicians have returned to Illinois and new companies have entered the market. St. Paul Fire and Marine, once again, aggressively seeks to insure physicians in Illinois. Associated Physicians Insurance Company and other companies have entered the Illinois market. Meanwhile, the physician-owned insurance company (ISMIE) has increased its assets from $779,441,179 in 1989 to $910,121,972 in 1992. At the same time, it distributed dividends to policy holders of $5,997,619 in 1990 and dividends to policy holders of $10,018,214 in 1991.

A Certificate of Merit under 735 ILCS 5/2-622 provides protection in all cases of malpractice against chiropractors, dentists, podiatrists, psychologists, hospitals and hospital employees, along with physicians. While a physician must sign a certificate of merit for a hospital, nurse or physician, a health professional in the other specialties must review and sign a report indicating a reasonable and meritorious cause of action exists against each of the other specialties.

The Certificate of Merit in Illinois has dramatically reduced the number of malpractice lawsuits filed by "weeding out" frivolous claims, reduced insurance costs and preserving the rights of malpractice victims to full compensation in the court system without violating their rights to equal protection and the right to trial by jury.

PAUL SIMON
ILLINOIS

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United States Senate

WASHINGTON, DC 20510-1302

July 27, 1993

V IP

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C.,

Dear Mrs. Clinton:

My constituent, Mr. Peter Paul Rizzo, asked that I forward his thoughts on health care to you.

Thanks for your consideration of Mr. Rizzo's ideas.

Again, thanks for your time.

My best wishes.

Cordially,

Paul Simon
U. S. Senator

PS/mko
Enclosure

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HEALTH RIGHTS ISSUES FOR YOUR CONSIDERATION

1. MEDICARE for infants from birth to 7 years of age.

2. MEDICARE to be transferred to business. Business to be given a 20% credit on their income tax.

3. Any INSURANCE COMPANY that issues HEALTH POLICIES, must every 5 year, for people 65 years or older, pay for a complete physical examination.

4. When a military veteran reaches the age of 65, the veteran will be given a VA card to be used like a medicare card with the same benefits.

OR OR OR

5. SOCIAL SECURITY requirements for so many quarters to receive MEDICARE BENEFITS be waived for military veteran.

Peter Paul Rizzo

JUNE 1993

PETER RIZZO
204 Water Street
Streator, IL. 61364

THE WHITE HOUSE

WASHINGTON

July 22, 1993

Honorable Paul Simon
United States Senate
Washington, D.C. 20515

Dear Senator Simon:

Thank you for your letter in support of the invitation extended by the Illinois Associationof Rehabilitation Facilities. Unfortunately, my schedule does not permit me to participate in every event that I would like to attend. If I am able to take part in this worthwhile event, I will contact Mr. David Stover directly.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton

PAUL SIMON
ILLINOIS

COMMITTEES:
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INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

May 27, 1993

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

Dear Hillary:

I have recently received an invitation to attend an annual conference of the Illinois Association of Rehabilitation Facilities (IARF) in late September. Mr. David Stover, the Executive Director of IARF, has informed me that you have been invited to give the keynote speech on September 30th and my hope is that you will consider accepting this honor.

The 700+ professionals who will attend this conference are representative of the over 45,000-50,000 health care workers and administrative staff who are members of IARF. The insight you would bring to this meeting would have a great impact, as the 130 community agencies represented at this conference annually care for approximately 110,000 persons with disabilities.

If more information about this conference or IARF would be helpful, do not hesitate to contact me.

My best wishes.

Cordially,

Paul Simon
U. S. Senator

PS/jlw

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SIMON
[redacted]HS

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United States Senate

WASHINGTON, DC 20510-1302

November 1, 1993
Dictated 10-29-93

Mrs. Hillary Clinton
The White House
Washington, DC 20500

Dear Hillary:

Thanks for that gracious note.

I'm proud to cosponsor the Health Security Act.

And I am particularly grateful for your significant leadership. We tend to overuse a word like "inspiring." But your leadership on this truly has been inspiring.

Sincerely,

Paul Simon
U. S. Senator

PS/jw

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PAUL SIMON
ILLINOIS

COMMITTEES
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United States Senate

WASHINGTON, DC 20510-1302

November 8, 1993
Dictated November 6, 1993

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

Dear Hillary:

When you were in Chicago to speak to the Cook County Democrats, I understand you had some kind remarks about my NAFTA stand.

I appreciate that.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

PAM NOV 6 1993

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Remarks of Senator Paul Simon
On His Support For
The North American Free Trade Agreement
Brookings Institution Auditorium
Washington, D.C.
October 20, 1993

The proposal for a North American Free Trade agreement has evoked a greater barrage of surveys and analyses than any issue I can recall in my eighteen years in Congress, though I am sure the health care proposal will eventually surpass it.

People whose judgment I trust draw directly contradictory conclusions. The issue inspires fear on the part of many and hope for others. My study of the NAFTA agreement began skeptically. I voted against the fast track authority passed two years ago, fearful that the administration then in power would not adequately protect the interests of our nation's working men and women.

Three members of my staff who have primarily worked on this knew that I would spend the past weekend pounding on my old manual typewriter, formulating a position. I asked them where they felt the merits of this issue rest, and all three said it would be good for the nation. But all three advised me that politically the advantage is on the side of opposition.

That seems to me an accurate summary of where we are. And if that is correct, those of us in the Senate who believe NAFTA will be good for the United States need to provide leadership so that our colleagues in the House who are wavering know that they are not alone. Political prudence for Senators requires silence. Political leadership requires a stand. Illinois is an economic microcosm of the nation. By studying its impact in Illinois, I have come to believe that NAFTA will strengthen the nation's economy. I have concluded that NAFTA's overall benefits to this generation and to future generations make this a fight worth spending political capital to win.

Here is how I arrived at my position.

First, the unspoken premise of some opponents is clearly that there are only so many riches to spread around this region of the world, and if we permit our neighbors to the south to have more, we will have less. It is the same false assumption that those who wrote about population two centuries ago had: There are only so many goods to be divided, and if you increase the population, gradually everyone will become poorer. The average person in the world today has a much higher standard of living than in those days, and our population has grown tenfold. After World War II, the United States was by far the wealthiest nation, and Western Europe and Japan were miserably poor. I can remember staying at a small hotel in Spain where, for one American dollar, I received my room and three meals, including steak for dinner. Today the average American income is two and one-half times greater than it was then, after adjusting for inflation, and many of our friends in Western Europe now have average wages higher than ours. We have moved ahead economically and so have they. Clearly the economic prosperity of Western Europe did not come at the expense of the United States.

I start, then, from a different premise than some who oppose the agreement. I recognize that both Mexico and the United States can benefit, but reciprocal gains are not automatic. If they were, we would not between us have the greatest disparity in the standard of living of any two neighboring nations.

There are several questions that need to be answered:

What will be the job impact of such an agreement on the United States?

The short-term impact is clear. It will create jobs in the United States and raise the standard of living of most people in both nations slightly. With an average Mexican tariff on U.S. goods of between ten and twelve percent, and an average U.S. tariff on Mexican goods of four percent, when the tariffs on both sides are removed, the United States is the larger immediate job beneficiary. On auto parts, for example, the U.S. has a tariff of less than one-half of one percent, but Mexico has a tariff that averages thirteen percent. When you drop both tariffs, Mexico gains with cheaper auto parts, and the United States benefits in jobs. Even though Mexican tariffs are higher than ours, in 1992, we had a trade surplus with Mexico of $5.4 billion, the largest trade surplus we have with any nation other than the Netherlands. Our primary trade deficits are not with low-wage countries but with high-wage trading partners, Japan being the number one example. As Secretary of Labor Robert Reich has written, "If low wages were the key to where manufacturers locate, Bangladesh and Haiti would become the manufacturing capitals of the world." George Fisher of Motorola speaks for many of today's and tomorrow's industries when he says, "The days of chasing low-cost labor are over." Of the ten nations with whom we have the largest trade deficits, our highest deficit with Japan is more than the next seven nations combined, and when the three oil-exporting countries are eliminated from the ten big deficit nations, of the remaining seven, five are high-wage nations, and two are low-wage countries."

The myth that NAFTA will result in a huge transfer of plants to Mexico is exactly that: a myth. There are economic advantages for that transfer now that will not be there after NAFTA is approved. There will be U.S. investments in infrastructure there -- in telephones, for example -- that will create jobs in Mexico, but should not result in job loss here. And generally, U.S. companies -- like all companies -- invest primarily where there are skilled workers, not where there are low wages. Three-fourths of our foreign investment is in developed countries, primarily Canada and Europe, where wages are often higher than ours.

The NAFTA agreement may temporarily stem the flow of some plants to Mexico. Gatorade, made by an Illinois corporation, Quaker Oats, has major sales in Mexico, but Mexico has an eighteen percent tariff on Gatorade made in the United States. If the NAFTA agreement is approved, the Gatorade plant will remain in the United States. If it is not approved, they will build a plant in Mexico.

General Motors faces a similar decision. Our tariff on Mexican-made cars is 2.2 percent. Their tariff on our cars is twenty percent. The American Automobile Manufacturers Association says that if Congress approves NAFTA, that will boost exports to Mexico of U.S.-built cars and parts by $1 billion the first year, increasing U.S. jobs by 15,000. Only one of sixteen Mexicans owns a car. As their standard of living rises in coming years, this will be a huge market for us. There are those who argue that Mexican citizens are too poor to afford any significant amount of U.S. goods, that NAFTA will open a market that does not exist. The facts are that of Mexico's 90 million people, many are poor, but with its growing middle class, Mexico is buying seventy percent of their imports from the United States. As a nation, Mexico purchases more U.S. goods than any of our trading partners in Europe or

Japan.

Caterpillar says signing the agreement will mean 1,200 more jobs in Illinois. If NAFTA is approved, the ten to twenty percent Mexican tariffs on Caterpillar products will be dropped but not on Caterpillar's principal competitor in Japan, with clear benefits to our country. A sample of my mail from other Illinois companies illustrates the potential: L.R. Gross of Nalco Chemical in Naperville writes: "NAFTA will help Nalco create high-skill jobs in the area of production, distribution, sales, marketing and research. Every additional $1,000,000 in sales creates four to five new Nalco jobs. The majority of these jobs will be in the United States." Lauren S. Williams of the NutraSweet Company of Deerfield says: "NAFTA will have significant positive benefits for the NutraSweet Company. . . . We have no plans to manufacture our products in Mexico when NAFTA is implemented. Our ingredients are imported into Mexico and incorporated into products by local food manufacturers. And we see great potential for growth in this market. For example, while Mexico has per capita soft drink consumption second only to the United States, the diet portion of the market is only about two percent, compared to almost thirty percent in the U.S." John Kennedy of James Electronics in Chicago: "NAFTA will have no effect on a manufacturer's decision on opening plants in Mexico. We can do it today with or without the treaty. . . . I established a sister plant in Mexico in 1989. . . 125 miles south of the border. It has not taken jobs from Chicago, but has added over 100 jobs here." John Bryan of Sara Lee, based in Chicago: NAFTA will "create additional higher-paying jobs in U.S.-based yarn and textile operations." Richard White of Flexible Steel Lacing in Downers Grove: "The elimination of Mexican tariff barriers will greatly improve our access to the fastest growing market in North America. Our sales in Mexico have grown 60 percent since 1992, and with NAFTA could triple between 1991 and 1995. 95 percent of Flexco products sold in Mexico are made in the U.S. . . . Additional unit sales volume to Mexico will help to lower our overall operating costs and enable further employment growth in Downers Grove, as well as providing us a stronger competitive position in other world markets." Charles T. Wegner IV of Jel Sert in West Chicago says that they "have achieved only a modest presence in Mexico. . . . The economic and regulatory unpredictability make it imprudent to commit to any significant or long-term activity." But he writes that if NAFTA is approved, they expect a major effort in Mexico and additional jobs in our country. Sundstrand of Rockford has 2,900 Illinois employees and a total of 11,000 employees. James F. Ricketts writes: "NAFTA will have a positive impact upon employment levels both in the Sundstrand United States' facilities and in the joint venture operation in Mexico." John Thompson of IBM's Chicago office: "In 1992, IBM did approximately $1 billion worth of business in Mexico. This was a 53 percent growth rate over 1991. . . which is occurring in an environment of 10 percent to 20 percent tariffs on those exports. With the elimination of Tariffs under NAFTA, IBM will have an even greater opportunity for exports, which translates into stronger demand for IBM's U.S. manufacturing facilities." Stuart Scheyer of the Decorel Company in Mundelein, the world's largest manufacturer of picture frames, writes: "We recently made a significant investment in Mexico, a 60,000-foot factory in Durango, Mexico with 200 employees. . . . The 200 jobs that we have in Mexico are in addition to an increase in workers that we have in the Chicago area. We have not transferred a single job from the United States to Mexico." He notes that he is moving jobs from Asia to Mexico and the United States and adds: "A Mexican worker purchases U.S. products. A Far East worker does not." Illinois is the nation's leading candy manufacturing state. The National Confectioners Association estimates that the elimination of the twenty percent candy tariff by Mexico will create 750 additional jobs in Illinois. Kent Kleinschmidt of the Illinois Corngrowers expects

an increase of twenty cents per bushel in the price of corn because of NAFTA and a savings to taxpayers of $1.2 billion in farm subsidies. All agriculture, with the exception of fruit and vegetable farming, is expected to benefit. Other industries that will benefit from NAFTA include machine tools and auto parts, major factors in our nation and in my state.

Illinois exports to Mexico increased 384 percent between 1987 and 1992. In terms of short-term job creation, NAFTA is a plus, but some industries and people will be hurt, and we must not ignore that reality. Much of the American middle class is in agony over the economic changes and dislocations of recent years. Families have seen their economic security slip, and many have become bitter and cynical toward a government that has seemed to do nothing to come to their aid.

NAFTA will not address the economic pain of the middle class in a meaningful way. This is not a reason to oppose NAFTA; but it places a moral obligation on NAFTA's supporters to develop a coherent plan and policy to restore economic opportunity and security.

In the medium-term, Mexico will experience more job growth than the United States as a result of the NAFTA agreement. As it becomes clear under NAFTA that there is an increasingly stable political and economic situation in Mexico, there will be more Mexican money invested in Mexico, and more money will be invested by Asian, Western European and U.S. interests. There will be some shifting of plants, particularly from Asia, to Mexico. Zenith has already announced that it will shift some television production from Taiwan to Mexico. As NAFTA increases the standard of living for people in the large U.S.-Canada-Mexico market, corporations around the world will want to sell in this market. The U.S. and Canada now have an edge over Mexico in skilled workers, but that advantage is likely to diminish over the coming years as Mexico stresses education. The United States has significant transportation advantages that will bring many of these new businesses to us, but Mexico is likely to be experiencing greater growth a decade from now, both in numbers of jobs and in its standard of living. As the General Accounting Office report accurately summarizes: "Economic researchers in general agree that NAFTA would bring a small overall economic benefit to the U.S. and Canadian economies, and a larger benefit to the Mexican economy." Under NAFTA, what helps Mexico in the medium-term ultimately helps the U.S.

Long-term -- thirty years from now -- all three nations are likely to experience significant growth if all three stress developing a more skilled work force and put their fiscal houses in order. The standard of living in Mexico is not likely to be as high as we have in the United States, but the gap in the quality of life will have diminished markedly. That will make Mexico a significantly larger purchaser of U.S. products. That means jobs.

The closest comparison to the NAFTA agreement that might provide insights is the affiliation of Spain, Portugal, Ireland and Greece with the European Community -- four poorer nations joining a wealthier central body. The average growth rate of the four exceeded the growth rate of the other nations of the European Community by 3.7 percent to 2.8 percent. The affiliation of the four nations did not harm the central body.

However, it is easy to exaggerate -- on both sides -- the impact of NAFTA. It will have an impact that is generally positive, but it is not a patent-medicine cure-all for what ails us. The International Trade Commission estimates that by the end of the first year of NAFTA, there will be a net increase of 171,000 jobs in the United States, not a huge number in a nation of 240 million people. That would reduce our unemployment rate less than two-tenths of one percent. One important fact should be remembered: Whether NAFTA is approved or not, if we don't improve the skills of our work

force and pay attention to the nation's fiscal problems, we will suffer a continued gradual decline in our standard of living. If we do a better job of preparing our work force and have the courage to face our fiscal deficit, we will experience an increase in our quality of life. No elixir of NAFTA or anything else is a substitute for addressing our education and fiscal problems.

What about illegal immigration?

Mexico today has a population of approximately ninety million people. Despite a declining birth rate, eventually, Mexico will achieve a total population of more than 200 million. Nothing speeds a decline in a national birth rate as much as an increase in the standard of living. Lifting the quality of life through NAFTA, therefore, will relieve population pressures and lessen the expected growth of illegal immigration. And the growth in job opportunities and wages reduces the attraction of employment in the north. The commission to look at illegal immigration, established by Congress in 1986, urged a free trade agreement between the United States and Mexico, calling it "the single most important long-term remedy to the problem." Few Mexicans come into the United States illegally because they like our cultural life; they come because they have little opportunity to earn a decent living in the country of their birth. NAFTA will not solve the illegal immigration problem, but it will assist in its solution.

Are there U.S. foreign policy considerations in this vote?

The United States has been fortunate to be bordered by two oceans, by a nation to the north we generally do not regard as a foreign nation, and a nation to the south that we have largely ignored. To continue down that path of indifference increasingly will be as difficult as it is wrong. A rebuff to NAFTA would hurt us in Mexico and in all of Latin America. Our historic cold shoulder to Mexico has been a burden to Mexico but will be a burden to us if it is continued. Former Speaker Jim Wright of Texas has written: "Not in the past 75 years has Mexico's elected leadership been so staunchly and outspokenly pro-U.S." However if NAFTA is turned down, Mexico is not likely to simply smile and docilely accept our position. If we muff this opportunity, Mexico is likely to enter into a free trade agreement with Japan or some other major economic entity. That would not be good for the United States and not as good for Mexico as a trade agreement with us, but we should be aware that you can wound the pride of a nation only so many times before it looks for other friends. If Henry Kissinger is correct that this nation "has never had a neighbor of the importance Mexico will acquire in the next century," we should weigh NAFTA carefully, recognizing that approving it will help Mexico achieve greater stability in both politics and economics. That is in our self-interest.

What about the environmental factors?

Environmental groups are split on this. Improvement would come in the border area; right now that is a mess. NAFTA would cause a significant increase in the use of natural gas in Mexico, reducing the emission of carbon monoxide, nitrogen oxides, sulfur dioxide and carbon dioxide. How effectively and strictly Mexico would enforce the environmental side agreement is not clear, though it is a good enough gamble that the National Wildlife Federation, the World Wildlife Fund, the Nature Conservancy, the Audubon Society, the Environmental Defense Fund, the Natural Resources Defense Council and Defenders of Wildlife have all endorsed NAFTA. What is indisputable historically is that as democracies have increased their living standards, they have become more sensitive to environmental factors, and NAFTA will increase the standard of living in Mexico.

What about those working men and women and businesses who will be hurt by NAFTA?

It is both morally right and smart policy to provide assistance to those harmed by NAFTA.

Assistance to businesses should be planned through loans that are not available through conventional credit sources. The Small Business Administration can help, though most businesses should find assistance from the traditional thrift institutions.

The problem of working men and women is more complex. It is a problem with or without NAFTA. Economic dislocations -- and the absence of any serious policy response from the federal government -- have created an enormous need for a program of economic relief and revitalization. This is complicated by an increasing bitterness and cynicism toward government that has seemed to sit idly by while our living standard has declined.

Such a program must include a serious retraining program for dislocated workers. Our economy is too dynamic, too globally linked for us to afford not to provide life-long training and retraining for our workers. That will only work if there are jobs waiting for those trained. We need to invest more in technologies; expand and accelerate improvements in our highways, water and sewer systems; promote high-speed rail and the information superhighway, and insist that our trading partners expand access to their markets for our products. We also must get our fiscal house in order: stop running huge deficits, and reduce the growth in our national debt, lowering the cost of capital and lifting our overall economy.

We need to demonstrate to middle-class Americans that government is on their side.

But this problem goes beyond just the middle class. More than one-fifth of the children of this nation now live in poverty, and the number is growing. No other Western industrialized country has such a miserable record. This is not the result of an act of God but the result of flawed policy. We have increasingly segregated the nation economically, and as fewer and fewer of the poor are our neighbors, it is easier and easier to ignore them. And our system of financing election to public office makes political leaders more and more responsive to the economically powerful and less and less responsive to our poorer citizens. NAFTA gives us an opportunity to reexamine our policies.

President Clinton says he wants welfare reform. So should we all. But there is no short-term, inexpensive way of achieving genuine reform. What we need is a federal jobs program similar to the old WPA. Anyone out of work five weeks or longer should have an opportunity to work on local projects four days a week at the minimum wage, and the fifth day, he or she should be trying to find a job in the private sector. At the current minimum wage, four days a week would mean $535 a month -- not a great deal of money -- but the average family on welfare in Illinois receives $367 a month; in Mississippi, $122 a month. Then, screen people as they come into the program, and if they cannot read and write, get them help; if they have no high school equivalency, enroll them where they can receive assistance; if they have no marketable skills, get them into a community college or a training program that gives them a marketable skill. We have a choice of paying people for doing nothing or for doing something, and we have made the wrong choice, both for them and for our society. We need to invest in our people. In every community of unemployed, we have large unmet needs. Why not convert the liability of unemployment into a great national asset as the nation did almost six decades ago? Such a program would have one additional, huge advantage over the present welfare programs. Our colleague Senator Daniel Patrick Moynihan has written eloquently about the breakdown of the family among the poor. Our present welfare programs reward parents of children for not living together. A modified WPA program would do the opposite. Not only would one member of the household be eligible for the $535-a-month job, two members would be eligible, bringing the family income to a more livable $1,070 a month.

Business leaders who are promoting NAFTA would find a more receptive congressional audience if they combined their NAFTA support with support for those who are hurting in our society. A Band-Aid training program is not enough. President Clinton would find it easier to sell a combined program of NAFTA and jobs to selling NAFTA alone.

* * * *

Columnist Carl Rowan, four weeks ago, wrote: "When fear is at war with promises and hopes, fear almost always triumphs. And NAFTA is being assailed by some very potent peddlers of fear. . . . Twelve Nobel Prize-winning economists have endorsed this free trade agreement. . . . I don't believe anyone will suffer in the long run from a trade pact that makes Mexico a more prosperous country and offers reasons for its citizens to stay home." (Chicago Sun-Times, September 19, 1993.)

We cannot reinvent yesterday. The world's economy is moving on. We can hunker down and let it pass over us as we see our standard of living decline, or we can welcome the challenge of tomorrow and the opportunity to work with other nations as we rebuild our own. NAFTA offers us an opportunity to follow the wiser course. Let us work with Mexico -- and also with the underdeveloped nation within our borders.

# # # # # #

PAUL SIMON
ILLINOIS

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

November 16, 1993
Dictated November 15, 1993

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

Dear Hillary:

The enclosed picture of you was taken by my son, Martin.

If you could sign that for him, I would appreciate it.

It should be sent to him at: 1422 Ames Place N.E., Washington, D.C. 20002.

Many thanks.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

12/20/93 mailed to Martin Simon

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618/457-3653

To Jeanne Simon
With best wishes, and thanks for your support and friendship - Hillary Rodham Clinton 1993

THE WHITE HOUSE

October 29, 1993

Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Senator Simon:

On behalf of the President, I want to express my deep gratitude for your co-sponsorship of the Health Security Act. Your action reflects an unswerving commitment to ensuring health security for all Americans.

We are grateful for your contribution to this historic effort and for your invaluable advice. We look forward to working with you in the weeks and months ahead to make health care reform a reality. Your leadership will be critical to passage in this Congress.

With appreciation and respect, I am

Sincerely yours,

Hillary

Hillary Rodham Clinton

Will never forget your saying - "Don't let the perfect be the enemy of the good!"
Thank you —

THE WHITE HOUSE

April 8, 1993

The Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Paul:

Thank you for forwarding the invitation from the Multicultural Publishers Exchange. I would very much like to participate, if my schedule allows. If I am able to accept the invitation, we will contact the organization directly.

With warm regards,

Sincerely,

Hillary

PAUL SIMON
ILLINOIS

WHX SS file Shirley

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

March 23, 1993

Mrs. Hillary Clinton
Task Force on Health Care Reform
The White House
Washington, DC 20500

Dear Hillary:

As you may be aware, USA Today and the Rochester Institute of Technology annually sponsor a Quality Cup competition for individuals and groups who greatly improve quality or service in a given field. One of this year's five winners, and the only winner in the health care area, is a Total Quality Management Team at SwedishAmerican Hospital in Rockford, Illinois.

I am writing to bring them to your attention and suggest that you may want to provide recognition to these efforts to make Total Quality Management work in the health care field.

The team at Swedish worked successfully to improve the monitoring of arterial blood gasses in the intensive care unit. They improved patient care through increased efficiency in providing timely and accurate test results. The effort of the Total Quality Management Team at this hospital is an example of how good management practices can increase efficiency, improve the quality of care and help bring down costs.

The winners will be honored at a ceremony ~~at USA Today~~ headquarters in Arlington, Virginia on April 2, ~~1993, and will~~ be mentioned in a special section of USA Today on April 10, 1993. Acknowledgement by you and your task force will provide another opportunity for well-deserved recognition, and, more important, a chance to hold out the SwedishAmerican team as a role model for other health care institutions and professionals. If you were able to meet with the team, the acknowledgement would carry even more weight and significance.

Your staff may be in touch with the SwedishAmerican team through Dr. Henry Anderson, at 815-968-4400, extension 4000. I thank you for considering this request, and for your continued work in reforming the nation's health care system.

Cordially,

Paul Simon
U. S. Senator

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618/457-3653

April 4, 1993

The Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Paul:

Thank you for forwarding the invitation from the Multicultural Publishers Exchange. I would very much like to participate, if my schedule allows. If I am able to accept the invitation, we will contact the organization directly.

With warm regards,

Sincerely,

THE WHITE HOUSE

May 12, 1993

Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Paul:

Thank you for your letters in support of invitations from the Illinois Hospital Association and the Rehabilitation Institute of Chicago. Unfortunately, my schedule does not permit me to accept every invitation I would like to honor. I will be in touch with these organizations directly if I am able to participate.

Again, I appreciate your contacting me and look forward to our continued work together on health care and other issues.

Sincerely yours,

Hillary

THE WHITE HOUSE

June 22, 1993

Honorable Paul Simon
U.S. Senate
Washington, D.C. 20510

Dear Paul:

Thank you for inviting me to the ceremony honoring the Total Quality Management Team members. Unfortunately, due to scheduling conflicts, I was unable to attend. Please pass my congratulations to the Swedish American team.

Again, thank you for extending this invitation on behalf of the Hospital.

Sincerely yours,

Hillary

Hillary Rodham Clinton

THE WHITE HOUSE

May 18, 1993

Honorable Paul Simon
United States Senate
Washington, DC 20510

Dear Senator Simon:

Thank you for your letter in support of the invitation extended by Kurt J. Warkenthien, M.D.

Unfortunately, my schedule does not permit me to accept every request that I would like to honor, and I was unable to participate in this worthwhile event. I hope you will pass on my sincere regrets to Dr. Warkenthien.

Again, thank you for writing.

Sincerely,

Hillary

PAUL SIMON
ILLINOIS

United States Senate

WASHINGTON, DC 20510-1302

SS file

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

February 11, 1993

Mrs. Hillary Rodham Clinton
The White House
Washington, DC 20500

Dear Mrs. Clinton:

I am writing to express my concern about the sharp reduction in funding to schools funded by the Bureau of Indian Affairs (BIA), and the very real threat that Bureau-funded schools may be forced to close because of these funding reductions.

Last year, BIA-funded schools received $2,834 per Weighted Student Unit (WSU) under the Indian School Equalization Formula; this school year, they are receiving only $2,594, a reduction of $240 per WSU. This reduction translates into an average of $408 less for each child. In addition, the 1993-94 budget for BIA-funded schools, already appropriated by Congress, is seriously below what is needed to maintain level funding for each Indian child.

Enclosed is a letter from Carl H. Levi, Executive Director of the Rough Rock Community School and Marcel Kerkmans, the Executive Director of the Alamo Navajo School. Their letter details the funding shortfalls facing BIA schools.

I appreciate your attention to this important matter.

My best wishes.

Cordially,

Paul Simon
U.S. Senator

PS/kgm

Enclosure

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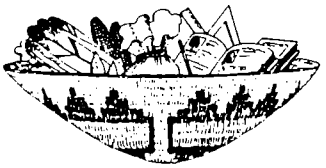
ROUGH ROCK SCHOOL BOARD, INC.
ROUGH ROCK COMMUNITY SCHOOL
Box 217 • Chinle, Arizona 86503 • (602) 728-3311



Carl H. Levi
EXECUTIVE DIRECTOR - RRDS

January 28, 1993

Honorable Paul Simon, Member
Senate Select Committee on Indian Affairs
SH-838 Hart Senate Office Building
Washington, D.C. 20510-6450

Dear Senator Simon: RE: INDIAN EDUCATION FUNDING SHORTFALLS

As a direct result of the BIA's repeated and consistent underestimation of school enrollments, severe funding shortfalls for the current and next two school years exist within BIA education budgets in three areas: the Indian School Equalization Formula (ISEF), Facilities Operation and Maintenance (O&M), and Administrative Cost Grants (A/C) for Indian contract and grant schools. Failure to provide immediate relief in any or all of these areas will create devastating problems in the education of Indian children. Funding needs are calculated as follows:

A. **ISEF**:
An immediate increase is needed for the current ('92-'93) school year (FY'92 appropriations). In School Year '91-'92 schools received $2,834 per WSU (Weighted Student Unit). This year ('92-'93) they are receiving $2,594/WSU, or $240 less. BIA-funded schools generated 77,069 WSU's this year. To restore funding to $2,834/WSU would require another $18.5 million. Adding 3% for inflation would put the need at $25 million ($2,919/WSU). Failure to address this need will force schools to do one or more of the following: substantially reduce staff; reduce workdays to six hours and eliminate virtually all extracurricular activities; end school this Spring far earlier than scheduled, thus jeopardizing many schools' accreditation. A major exodus of school staff would surely follow, starting a devastating downward spiral in the quality and availability of Indian education programs.

For the '93-'94 school year (FY'93 appropriations), an immediate increase is also needed. The BIA currently projects 79,315 WSU's and $2,672/WSU. To reach the SY'91-'92 WSU value of $2,834 plus 3% for one year's inflation will take an additional $18 million. To allow another 3% for the second year of inflation would require $25 million. Even if additional funding is secured for the current school year, it will only put off serious problems until July 1, 1993. BIA projections are probably low as usual. Add inflation and increased personnel costs for next year, and the scenario is still grim, just delayed.

For the '94-'95 school year (FY'94 appropriations), the ISEF budget needs to be at least $255 million to provide approximately $3,100 per WSU, assuming BIA projections are accurate, which is unlikely at best. This is still short of the $3,499 per WSU recommended by a blue-ribbon panel of school-funding experts last year.

B. **FACILITIES OPERATION & MAINTENANCE:**
Due to increased workload requirements and historically low funding of the FACCOM formula "needs" amount, current (FY'93) facilities O&M funding is short by at least $6 to $8 million, and should be funded at the 100% of needs level. The current shortfall will accelerate deterioration of already inadequately maintained classroom and dorm buildings and increase the amount needed in the future to comply with health and life safety codes.

For the '93-'94 School Year (FY'94 appropriations), facilities O&M funding needs to be increased by at least the same $6 to $8 million amount. Assuming the needed increase is secured for the current year, failure to maintain it for next year simply puts off the same problems for a year.

For the '94-'95 School Year (FY'95 appropriations), the FACCOM formula should be funded at 100% of the generated "needs" amount, and no longer be constrained. The resulting increases in the O&M budget should be applied only to school operations and not to other BIA square footage. Otherwise, additional funds should be requested.

C. **ADMINISTRATIVE COST GRANTS FOR CONTRACT AND GRANT SCHOOLS:**
For the current '92-'93 School Year (FY'92 appropriations) there is a shortfall of at least $8 million, which should be immediately restored. This equates to underfunding of 20-30% for the current year on top of an 11% shortfall for last year. Failure to provide adequate A/C will force many contract and grant schools to use ISEF funds intended for direct services to students to offset part or all of the shortfall (as allowed by law) simply to ensure adequate administrative oversight and accountability for school programs.

For the '93-'94 School Year (FY'93 appropriations), at least the same $8 million additional is needed. The reasons are the same.

For the '94-'95 School Year (FY'94 appropriations), A/C funding should be based on the previous year's calculations plus a current inflation factor. This would simply allow schools to "stay even".

Even if the needed increases are granted, they will only allow the BIA-funded schools to stay even with funding levels reached in **School Year '91-'92**. Our schools will still have a long way to go before they can afford to provide everything our Indian students truly need to succeed. Your help is desperately needed, and will benefit every child within the BIA school system. Thank you for all your assistance in the past, and for your present attention to these most serious matters.

Sincerely yours,

Carl H. Levi, Executive Director
Rough Rock Community School

Marcel Kerkmans, Executive Director
Alamo Navajo School

DATE: 2/11/93
FROM: Kerri
TO: Eric

READY FOR EDITING:

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THE WHITE HOUSE

June 1, 1993

Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Senator Simon:

I was alarmed to hear that there is a rumor afloat that health care providers were not represented on the working groups of the President's Task Force on National Health Care Reform. The Task Force benefitted from the expertise of hundreds of individuals -- including many doctors, nurses, hospital administrators and other health care providers -- who served on our working groups. In addition, we listened to the advice of thousands of practitioners across the country who have firsthand experience with the health care system.

Again, thank you for contacting me.

Sincerely,

Hillary

Hillary Rodham Clinton

THE WHITE HOUSE
WASHINGTON

Honorable Paul Simon
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

March 9, 1993

Dear Senator Simon:

Thank you for your kind letter regarding my appointment to chair the health care task force. I wanted to let you know that I am grateful for your offer of assistance and will be in touch with you as our work progresses.

I appreciate your sharing with me your long-term care bill. Long-term care is one of the thorniest issues we face -- the groundwork you have laid in this area will surely be helpful to us.

Again, many thanks.

Sincerely,

Hillary

The Honorable Paul Simon
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

May 11, 1993

Honorable Paul Simon
U.S. Senate
Washington, D.C.

Dear Paul:

Thank you for your letter inviting me to meet with the Multicultural Publishers Exchange. Unfortunately, my schedule does not permit me to accept every request that I would like to honor. If I am able to meet with the organization, we will contact Ms. Sandra Yamate directly.

Again, thank you for contacting me.

Sincerely,

Hillary

THE WHITE HOUSE

April 9, 1993

Senator Paul Simon
U.S. Senate
Washington, D.C. 20510

Dear Senator Simon:

I'm sorry it has taken me so long to respond to your letter regarding Bureau of Indian Affairs (BIA) schools.

My assistant has been in touch with the BIA regarding your concern that the value of the Weighted Student Unit (WSU) has fallen from $2,834 to $2,594. According to Michael Reed of BIA's Budget Formulation office, the information you received was inaccurate. His numbers show that the WSU value in school year 1991-92 was $2,374, not $2,834. The 1992-93 WSU value of $2,594 would therefore be an increase in spending per child.

BIA's budget for 1993-94 has not yet been released. However, Mr. Reed suggested that you contact him directly if you have further questions about the Bureau's budget. He has a preliminary spending proposal, which shows the effects of the President's stimulus package, and would be happy to discuss it with you.

On another matter, thank you for forwarding the invitation from the Multicultural Publishers Exchange. I would like to participate, if my schedule allows. If I am able to accept the invitation, we will contact the organization directly.

Thank you also for your letter of recommendation and a copy of Bill Drucker's curriculum vitae. I am sure his insights would be of great value to our health care task force. I have asked a member of our working group to contact him. I also hope you will urge him to send any suggestions he might have in writing.

I look forward to our continued work together on all of these important matters.

Sincerely,

Hillary

THE WHITE HOUSE

May 28, 1993

Honorable Paul Simon
United States Senate
Washington, DC 20510

Dear Senator Simon:

Thank you for your letter in support of the invitation extended by Dr. Henry B. Betts.

Unfortunately, my schedule does not permit me to accept every request that I would like to honor. If I am able to visit the Rehabilitation Institute, I will contact Dr. Betts directly.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton

① Call list ✓ health - Senate
② Forward materials ✓

PAUL SIMON
ILLINOIS

United States Senate

WASHINGTON, DC 20510-1302

COMMITTEES:
LABOR AND HUMAN RESOURCES
JUDICIARY
FOREIGN RELATIONS
BUDGET
INDIAN AFFAIRS

FEB 12 1993

February 5, 1993

Mrs. Hillary Rodham Clinton
Task Force on National Health Care Reform
The White House
Washington, DC 20500

Dear Hillary:

Congratulations on your appointment to the assignment of putting a health care package together -- and my congratulations to the President for having the wisdom to appoint you! I know you have both the compassion and the practicality needed to do a good job.

I want to offer to be of assistance in any way I can, and to share an experience I had during my last Senate campaign that may be useful. I've long been committed to finding a way to ensure long-term health care, not just for the elderly but for every person who needs it. I'm also committed to pay-as-you-go -- to finding the revenue for the program as we enact it -- so I proposed a 1/2 percent increase in Social Security taxes to pay for long-term care. My opponent, Lynn Martin, had a press conference and sent out literature blasting me for wanting to raise taxes. The issue backfired for her and helped me; the overwhelming majority of people in Illinois were willing to support tax increases to provide long-term care.

See ✓ I've enclosed information about a long-term care bill I introduced during the last Congress. I will be modifying it somewhat and reintroducing it this session. Long-term care is a vital part of what is needed in health care reform. If there is any way I can be of assistance as you work on these issues, please don't hesitate to call on me.

My best wishes.

Cordially,

Paul Simon
U. S. Senator

Enclosures

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FACT SHEET

LONG-TERM CARE FAMILY PROTECTION ACT

Sponsor: Senator Paul Simon

The Long-Term Care Family Insurance Act will defend families against the catastrophic costs of chronic illness for seniors, working-age Americans and children. The plan recognizes that long-term care costs are not simply a problem for the elderly but also for millions of young families crushed by debt in caring for parents or other family members. The act creates a new Part C under Medicare to help pay for long-term care services in nursing facilities, at home and in the community.

Benefits and Eligibility

A long-term care management agency in each state will determine eligibility and monitor the quality of services. Those eligible for nursing facility care must need assistance with three or more activities of daily living, such as eating, bathing, dressing or toileting. Those eligible for home and community care must need assistance with two or more activities of daily living. Children with chronic illness or dependency on medical equipment would be eligible for long-term home care, and individuals with disabilities would be able to "buy-in" to Medicare to receive long-term care services.

NURSING FACILITY BENEFITS: After 90 days of care, individuals are covered to a maximum of $2,400 a month, with a required copayment of $500 a month. (There is no limitation on length of coverage.) Services covered include bed and board; nursing care; physical, occupational and respiratory therapy; speech-language therapy; medical social service; drugs, supplies and equipment normally provided for care and treatment of residents; medical services; and other services generally provided by nursing facilities.

HOME AND COMMUNITY CARE BENEFITS: For those with moderate impairments, reimbursement is based on 50 percent of the average daily cost of skilled nursing facility care in the state, and for those with severe impairments, reimbursement is 65 percent of that cost. Services include case management; nursing care; homemaker or home health aide; medical social services; personal care services; physical, occupational, speech, and respiratory therapy, and rehabilitative services; medical supplies; respite care; and adult day care. Services may be provided in the home or on an outpatient basis at a hospital or other facility.

Funding

A Medicare Part C Trust Fund will become effective January 1, 1993. (Benefits become effective 12 months after enactment.) Nursing facility care is financed through an increase of one-half of one percent in the employer and employee portions of Social Security deductions. Home and community care is financed through elimination of the cap ($125,000 in 1991) on income subject to the Medicare payroll tax of 1.45 percent. The Secretary of Health and Human Services, based on advice from a Long-Term Care Advisory Council, is authorized to alter benefits, eligibility and copayments to ensure that the costs of home and community based care do not exceed the revenues raised by taxes authorized for this purpose.

STATEMENT OF SENATOR PAUL SIMON
INTRODUCTION OF THE LONG-TERM CARE FAMILY PROTECTION ACT
NOVEMBER 22, 1991

Mr. President, I am introducing today the Long-Term Care Family Protection Act of 1991. I am pleased that my colleague Senator Wellstone is an original cosponsor.

Since 1988, I have been listening to people in Illinois and all over the country tell me we need a comprehensive long-term care policy. At times, such as back in 1989, it appeared we were going to move ahead on legislation. I sponsored in the Senate a bill that had been introduced by the champion of seniors, the late Rep. Claude Pepper. It would have provided assistance for home- and community-based care, and it came close to passing. In that year I also joined Senator Mitchell and Senator Kennedy as a cosponsor of their separate bills providing long-term care assistance.

Since that Congress, we have lost momentum on this issue, and we need to regain it. The need for action has increased in recent years while the debate has shifted to problems in other areas of health care. I am wholeheartedly in support of comprehensive reform in national health care. But reform must include a means to address the critical need in the area of long-term care, and we must not allow controversy about other parts of health care reform to delay action on this vital legislation.

There is a strong consensus in the country and in the Congress that long-term care must be a high priority for action. I am introducing this bill today in an effort to put long-term care back on the front burner.

Long-term care is more than a "seniors" issue. It is a family issue that is of paramount concern to millions of households. American families today are sacrificing to pay for long-term care for parents, grandparents, children and other relatives. For

those who try to keep a loved one at home, the cost may be in the loss of other important opportunities in their lives. An estimated 70 to 80 percent of all long-term home and community care is provided by family members. Most have no respite at all for their efforts. For those who need the services of a nursing facility, the costs are frequently catastrophic, not just for the individual but for a family.

The reality is that only about 5 percent of elderly Americans are in a nursing home at any one time. But the reality also is that these numbers are rising dramatically. In just nine years, almost a million more senior citizens will be in nursing homes than today. And for every person 65 and older living in a nursing home, there are twice as many who need various kinds of long-term care in the community.

Estimates are that the nursing home population may be as high as 2 million by the year 2000, 3.8 million by the year 2030 and 4.4 million by the year 2040. If current rates continue, 43 percent of persons who turned 65 in 1990 can expect to use a nursing home at some time their lives. People aged 85 and older are more than 4 times as likely as those aged 65 to 74 to need long-term care services, and this age group is one of the fastest growing in our population.

Most Americans do not realize it, but Medicare pays for very little long-term care. Before Medicaid can help, individuals or couples must exhaust their own resources, becoming poor enough to qualify by "spending down" their income, savings and other assets. Long-term care saps the life savings of even the thriftiest middle-and lower-income families and forces countless seniors to close out their lives as paupers.

Today, about half of all long-term care is paid for through private sources, and 97 percent of private funding comes directly out of the pockets of consumers. Even though private sector

insurance is sold by more than 130 companies and there are more than a million policyholders, estimates are that less than 3 percent of long-term care is currently being paid by these policies.

The Health Care Financing Administration estimates that under current programs, with no legislative change, total spending for nursing home care will increase from the current approximately $50 billion a year to $129 billion by the year 2000. Unless we act, seniors and their families will be forced to try to shoulder the burden of a major part of that amount, out of their own pockets. The burden is growing and we need to address it now.

The Long-Term Care Family Protection Act would put us on the road to a responsible policy on long-term care. It is not as generous as our families need and deserve, but it would be a significant benefit to many individuals who need long-term care. It recognizes that while most people do not spend more than 6 months in a nursing home, those who must spend longer amounts of time fill most nursing home beds and face the greatest financial burdens.

The basic elements of this bill are:

(1) Nursing facility benefits, after 90 days of care, covered to a maximum of $2400 a month, with a copayment of $500 a month. This amount is based on an average cost of nursing home care and assumes an individual could plan to supplement this coverage with private insurance or choose to spend more in a more expensive facility. To be eligible, an individual would need to have limitations in the ability to perform 3 activities of daily living such as eating, bathing, dressing, transferring or toileting. This would cover about two-thirds of all individuals now in nursing facilities and about 77 percent of all those who have a memory problem or disorientation caused by a disease such as Alzheimer's.

(2) Home and community care benefits that include case management; nursing care; personal care services; physical, ocupational, speech-language or respiratory therapy; rehabilitative services; adult day care services; respite for family caregivers and other services ordinarily needed to enable a person with a chronic illness or disability to live at home. Eligibility begins with those needing assistance with two activities of daily living and the rate of reimbursement is increased for those needing assistance with four or more activities of daily living.

(3) Children with chronic illness or dependency on medical equipment would be eligible for long-term home care, and individuals with disabilities would be able to "buy-in" to Medicare to receive long-term care services.

I have suggested two funding sources in this legislation, and recognize that additional sources of funding will be needed to fully cover the intended benefits. Payment for long-term home and community care is limited in this bill to the amounts generated by the revenue source for the legislation, and I hope that early in the process of consideration, both the revenues and the benefit levels can be increased. This bill is a beginning. My intent is that we match long-term care service provisions to specific revenues to make sure the program is fully self-financed.

Under this proposed legislation, nursing facility care would be financed through an increase of one-half of one percent in the employer and employee portions of Social Security deductions. Home and community care would be financed through elimination of the cap ($125,000 in 1991) on income subject to the Medicare payroll tax of 1.45 percent.

Soon after I began working on long-term care legislation I received a letter from a constituent in Greenville, Illinois. In part the letter read:

> "Last week our neighbor across the street was discovered near death because he had deprived himself of food and air conditioning in order to meet the cost of over $3000 per month to maintain his wife in our local nursing home. This man is 80 years old, owns his own home and at the time he retired 15 years ago, his income plus Social Security and Medicare was very adequate. Keeping his wife in the nursing home has cost him in 2 years $72,000. He has had his home for sale unsuccessfully for over a year. Now she must become a recipient of Medicaid and he of welfare. Just trying to deal with the red tape of all of this is enough to kill the man. How sad for America that it treats its elderly citizens in this way."

Too many Americans are experiencing this sad reality. Too many Americans are being reduced to poverty and deprived of their right to live with dignity because of our lack of a long-term policy. I am confident that we can build the support we need to pass meaningful long-term care legislation in the near future.

Mr. President, I ask that a section-by-section summary of the Long-Term Care Family Protection Act of 1991 and the text of the bill be inserted in the Record at this point.

LONG-TERM CARE FAMILY PROTECTION ACT

SECTION-BY-SECTION SUMMARY

TITLE I - HOME AND COMMUNITY CARE AND NURSING FACILITY CARE UNDER THE MEDICARE PROGRAM

SEC. 101. NEW PART C LONG-TERM CARE PROGRAM

SCOPE OF BENEFITS

Sec. 1851. Establishes an entitlement in the Social Security Act, in a new Part C of Medicare, for payment for home and community care and nursing facility care for individuals determined by a long-term care management agency to be eligible for such care.

HOME AND COMMUNITY CARE DEFINED

Home and community care consists of items and services furnished by a home care agency (or others under arrangement with such an agency) and provided in a place of residence or on an outpatient basis at a hospital, skilled nursing facility or rehabilitation center. Items or services must be furnished under a written plan of care reflecting the individual's needs as determined in an assessment by a long-term care management agency. The written plan of care is to be periodically reviewed and revised by the long-term care management agency.

Home- and community-based items and services include case management services; nursing care provided by or under the supervision of a registered professional nurse; services of a homemaker/home-health aide who has completed a training and competency evaluation program approved by the Secretary; medical social services; personal care services; physical, occupational, speech, or respiratory therapy, or rehabilitative services; medical supplies (other than drugs and biologicals) and durable medical equipment, while under the plan; medical services provided by an intern or resident in training of a hospital affiliated with the home health agency; respite services for family caregivers; adult daycare services (including at least one meal a day).

Home- and community-based services at a facility other than an individual's place of residence shall be provided to the extent the individual is there to receive case management or other services not readily available in the individual's place of residence, but shall not include transportation to and from a facility.

NURSING FACILITY CARE DEFINED

Nursing facility care consists of items and services that would be provided to hospital inpatients under Medicare, including nursing care provided by or under the supervision of a registered professional nurse; bed and board; physical, occupational, respiratory, or speech-language therapy furnished by the facility or by others under arrangement with the facility; medical social services; drugs, biologicals, supplies, appliances and equipment as ordinarily furnished by the facility for the care and treatment of residents; medical services provided by an intern or resident-in-training of a hospital with which the facility has a transfer agreement under Medicare, under an approved teaching program, and other diagnostic or therapeutic services provided by a hospital with which the facility has such an agreement; and other services necessary to the health of residents as are generally provided by nursing facilities.

NURSING FACILITY DEFINED

A nursing facility is a skilled nursing facility as defined under Part A of Medicare; a nursing facility as defined under Medicaid; or an intermediate or custodial nursing facility that meets the license requirements of the state in which it operates and such further requirements as provided by the Secretary.

LONG-TERM CARE MANAGEMENT AGENCY DEFINED

A long-term care management agency is a government agency or organization (or its subdivision, or a private nonprofit agency or organization if there is no government long-term care management agency serving the area) that demonstrates expertise in managing health and social services for elderly individuals and is capable of completing an assessment and arranging for services within a reasonable period of time following a referral. The long-term care management agency must provide only case management services and must make arrangements with a home care agency (with which it does not have direct or indirect ownership or control) to provide prescribed home care.

The long-term care management agencies must have policies established by a group of professionals, including one or more registered nurses, one or more physicians, and one or more social workers. It must maintain a sufficient number of case management teams trained in the process of determining eligibility and assessing the needs of chronically dependent individuals. Such teams shall include at least a registered professional nurse and a licensed social worker; in the case of the assessment of an individual under 19, a physician; and other health professionals (including rehabilitation professionals) as are appropriate.

Where state and local law provides for the licensing of agencies or organizations of this nature, the long-term care management agency must be licensed pursuant to such law or approved by the licensing agency as meeting licensing standards.

The long-term care management agency must be designated by the Secretary and must meet conditions of participation as the Secretary, in consultation with the Long-Term Care Advisory Council, may find necessary.

The Secretary may temporarily waive the requirements for a long-term care management agency (with the exception that it be a government or private nonprofit agency or organization with demonstrated expertise and ability to carry out its responsibilities in a reasonable period of time) in the case of an agency or organization serving a rural area or designated health manpower shortage area. A waiver would be granted for one year at a time if failure to grant such a waiver would significantly limit access to long-term home care and if the agency or organization is making good faith efforts to meet the requirements of this part.

ELIGIBILITY FOR CERTAIN DEPENDENT CHILDREN AND OTHERS

Individuals eligible under this part are those persons eligible under Part A of Medicare and dependent children under age 19 who are determined by the long-term care management agency to be eligible for home and community care under this part.

ASSESSMENTS AND CERTIFICATIONS OF ENTITLEMENT

INITIAL ASSESSMENT

Sec. 1852. Each individual entitled to benefits under this part must receive an assessment and be certified as a chronically dependent individual. The long-term care management agency shall conduct an initial assessment of each individual to determine the level of care to which such individual is eligible.

CERTIFICATIONS

Following the initial assessment, a case management team shall certify whether or not the individual is a chronically dependent individual eligible for home and community care or for nursing home care. The team shall include in its certification a determination as to whether the degree of impairment is moderate or severe. In the case of certification for home and community care, the team shall establish a plan of care consistent with the degree of impairment.

CHRONICALLY DEPENDENT INDIVIDUAL DEFINED

A chronically dependent individual is an individual who is unable to perform (without substantial assistance from another individual) multiple activities of daily living (bathing, dressing, toileting, transferring, or eating) or has a similar level of disability due to cognitive impairment that requires substantial direction, instruction, or supervision to perform 2 or more of the activities of daily living or to remain in the home or community without causing harm to self or others because of inappropriate behavioral patterns.

For purposes of determining eligibility for nursing facility care, the term chronically dependent individual means an individual who is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living or has a similar level of disability due to cognitive impairment.

A person shall be considered to have a moderate level of impairment if he or she is unable to perform at least 2 of the activities of daily living; an individual shall be considered to have a severe level of impairment if he or she is unable to perform at least 4 of the activities of daily living.

Appeals of certification decisions shall be carried out under provisions applicable for appeals of benefits for Medicare Part A.

PAYMENTS AND COST SHARING

PROSPECTIVE PAYMENT BASIS FOR HOME AND COMMUNITY CARE

Sec. 1853. Amounts shall be paid from the Federal Long-Term Care Trust Fund for the expenses of providing home and community care for eligible persons under this part. Such amounts shall be determined under a fee schedule or other prospectively determined reimbursement mechanism established and annually adjusted by the Secretary. The fee schedule or reimbursement mechanism shall provide for uniform national payment rates.

The Secretary shall provide for annual adjustment in the rates based on an estimate, before the beginning of the year, of the percentage by which the cost of the mix of goods and services comprising long-term home care (based on an index of appropriately weighted indicators of changes in representative wages and prices) for the year will exceed the cost of such mix of goods and services for the preceding year.

The Secretary shall adjust the proportion of payment amounts attributable to wages and wage-related costs of long-term home care for area differences in wage levels by a factor reflecting the relative wage level for such care in the geographic area in which the care is provided compared to the national average wage level for such care. The Secretary shall update this factor at least every 36 months on the basis of a survey of the wages and wage-related costs for long-term home care in the United States. To the extent feasible, such survey shall measure the earnings and paid hours of employment by occupational category.

The maximum monthly payment that may be made with respect to long-term home and community care provided a chronically dependent individual (other than a dependent child) with a moderate impairment is 50% of the average per diem rate for full-time nursing facility care in the state multiplied by the days in the month the individual is provided such care. For an individual determined to have a severe impairment, the maximum monthly amount is 65% of the average per diem payment rate for full-time nursing facility care in the state multiplied by the days in the month the individual is provided such care.

The amount of payment for a dependent child in a month is 100% of the per diem amount that would be payable in a month under the state's plan for Medicaid if the individual were provided appropriate care in an institutional setting and if there were no limit on amount, duration or scope of covered services applied other than medical necessity, multiplied by the number of days in the month the individual is provided such care.

Monthly payment limitations shall be applied on an average basis with respect to long-term home and community care furnished over any period of 4 consecutive months.

Before the beginning of each calendar year, the Secretary shall estimate, for nursing facilities located in each state, the state average per diem payment rates that would apply for nursing facility care in the state on a full-time basis if there were no reduction for coinsurance under this part.

PER DIEM PAYMENT RATE FOR NURSING FACILITY CARE

Amounts shall be paid from the Federal Long-Term Care Trust Fund for the expenses of providing nursing facility care for eligible persons under this part. The amount available to an individual shall be, following the first 90 days of nursing facility care, $63 for each day of care (subject to a maximum payment amount of $1900 per month) after the copayment requirement has been met. The copayment requirement for nursing facility care under this part shall be $500 for each 30 days of care in such a facility.

FEDERAL LONG-TERM CARE TRUST FUND

ESTABLISHMENT

Sec. 1854. There is created on the books of the Treasury of the U.S. a Federal Long-Term Care Trust Fund. The Trust Fund shall consist of gifts and bequests and such amounts as may be deposited in or appropriated to the Fund as provided in this part.

FUNDING

There are appropriated to the Trust Fund amounts equivalent to the additional revenues received in the Treasury as a result of amendments made by this Act. Not less frequently than monthly, amounts estimated by the Secretary of the Treasury to represent the taxes paid to or deposited in the Treasury as a result of these amendments shall be transferred to the Trust Fund. Additional sums are authorized to be appropriated to the Trust Fund as may be required to make expenditures for nursing facility care.

Payments each year from the Trust Fund for home and community care are authorized and appropriated from the amounts determined under the provisions of this Act eliminating the limit on wages or self-employment income subject to the hospital insurance tax.

Payments each year from the Trust Fund for nursing facility care are authorized and appropriated from the amounts determined under the provisions of this Act increasing FICA taxes on employers and employees by .5%.

Amounts in the Trust Fund shall be available to carry out the functions of the Long-Term Care Advisory Council.

HOME CARE AGENCY DEFINED

A home care agency is a public agency or private organization (or a subdivision) that is a home health agency as defined under Medicare or is primarily engaged in providing services of homemaker/home health aides and personal care aides; maintains clinical records on all patients; meets any applicable state or local licensing requirements; meets conditions of participation for an approved home health agency under Medicare and other conditions the Secretary may find necessary.

CONFORMING AMENDMENTS

Title XVIII of the Social Security Act is amended in appropriate places to include references to nursing facilities and home care

agencies. Reference to a home health agency or home health aide is deemed a reference to a home care agency, a homemaker/home health aide or personal care aide. Provisions of the Federal Hospital Insurance Trust Fund are amended to include provisions for the Long-Term Care Trust Fund.

EFFECTIVE DATE

Provisions authorizing the appropriation of funds to the Long-Term Care Trust Fund become effective January 1, 1993, but no payments shall be made for services under this part before January 1, 1994.

MISCELLANEOUS AMENDMENTS

Various provisions of the Social Security Act are amended to include appropriate references to long-term care benefits under part C.

ENTITLEMENT TO BENEFITS OF DEPENDENT CHILDREN

Persons entitled to benefits for long-term home and community care include every individual who is under 19 years of age; is a citizen of the U.S. or an alien lawfully admitted for permanent residence who has resided in the U.S. continuously during the 5 years immediately preceding the month involved; has been certified by a trained case management team of a long-term care management agency, in consultation with an attending physician, to be chronically dependent or disabled. The individual must be certified to be unable to perform (without human assistance or supervision) at least 2 age-appropriate activities of daily living or to require both a medical device to compensate for the loss of a vital body function necessary to avert death or major loss of bodily functional capacity and substantial and ongoing nursing care to avert death or further disability; has applied for these benefits and is not otherwise eligible for benefits under part A of Medicare.

ENTITLEMENT TO BENEFITS OF RAILROAD RETIREMENT BENEFICIARIES

The Railroad Retirement Act of 1974 is amended to include home and community care and nursing facility care.

DETERMINATIONS AND APPEALS

The hearing and judicial review procedures for appeals of Medicare part A benefits are made available to persons appealing a negative certification or any other determination with respect to a claim for benefits under this part.

TITLE II - ASSURING SELF-FINANCING OF LONG-TERM CARE BENEFITS AND QUALITY ASSURANCE

ASSURING SELF-FINANCING OF BENEFITS

The additional costs to the Federal Government for home and community care resulting from this Act are not to exceed the revenues derived from amendments made by this Act.

Not later than 3 months before the effective date for home and community care benefits, the Secretary, in consultation with the Long-Term Care Advisory Council, shall estimate the amounts transferable to the Trust Fund and the amounts expected to be expended during the succeeding year for home and community care. If the Secretary estimates that a deficit exists, the amount payable for home and community care shall be reduced by a copayment amount (no more than 5% of the national average daily payment rate for home and community care) necessary to reduce the amount of the deficit by one-half. The Secretary shall also reduce the maximum monthly payment limits for home and community care by a percentage estimated to be necessary to reduce the deficit by one-half.

SEC. 202. ASSURING QUALITY OF LONG-TERM HOME CARE

LONG-TERM HOME AND COMMUNITY CARE QUALITY ASSURANCE

Sec. 1855. LONG-TERM HOME AND COMMUNITY CARE CONSUMERS' BILL OF RIGHTS.

The Secretary shall promulgate by regulation a long-term home and community care consumers' bill of rights that may be asserted by the consumer or the consumer's representative. These include the right to be treated with courtesy, respect and full recognition of one's dignity, individuality and right to control one's own household and lifestyle.

The individual has a right to be fully informed of services to be provided and any limit on services; of whether services may be covered by other sources and whether uncomepensated care may be available; of charges for services and any changes in services or charges; of procedures to follow if rights are violated or services are not satisfactory.

The individual has a right to take an active part in creating or changing the plan of care and selecting and evaluating the home care provider, the treatment, care and services.

The individual has a right to be served by persons who are properly trained and competent to perform their duties.

The individual has a right to be fully informed of the assessment of his or her condition, unless documentation of a professional practitioner contradicts this right.

The individual has the right to refuse all or part of any service and to be informed of the likely consequence of the refusal.

The individual has the right to receive treatment, care and services without discrimination in the provision or quality of service based on race, religion, gender, age, disability, or creed or because of a change in the source of payment.

The individual has the right to be free from mental and physical abuse, neglect and exploitation and to be free from chemical and physical restraints.

The individual has the right to receive respect for property rights; privacy in caring for personal needs, communications and all daily activities; and confidential treatment of personal, financial and medical records.

The individual has the right to voice grievances and recommend changes in policies to staff or outside representatives of the consumer's choice and to be assisted when needed, free from restraint, interference, coercion, discrimination, or reprisal by the long-term care managment agency, the home health agency, or the home care provider.

The individual has the right to be free to fully exercise his or her civil rights and to be assisted in doing so.

The individual has the right to receive prompt notice if services are to be reduced or terminated, assistance to assure smooth transition in services, and prompt notice of acceptance or denial of services and reasons for denial.

HOME HEALTH AGENCY QUALITY ASSURANCE REQUIREMENTS

The Secretary shall promulgate regulations making payment for the provision of long-term home and community care services contingent upon compliance, within 6 months of promulgation, with the home and community care consumer's bill of rights and with the following:

The agency shall provide a written copy of the bill of rights to each consumer or his or her representative.

The agency shall provide a written copy of and implement procedures for prompt review and resolution of grievances in the provision of services.

The agency shall ensure that each long-term care provider receives training sufficient to meet a level of proficiency established by the Secretary in consultation with representatives of the elderly, children and individuals with disabilities, and with appropriate health and social service professionals. Training must develop separate levels of proficiency and reflect the range of skills needed to provide different levels of long-term home and community care. The extent of training and level of certification of each provider shall be available on request to the long-term home and community care consumer.

The agency shall supervise all of its providers under regulations promulgated by the Secretary (including regular random, onsite visits by registered nurses or other appropriate health care professionals) and perform annual evaluations of quality of services. Evaluations must include and document consumer involvement.

To receive funding for provision of durable medical equipment services a home health agency or long-term home and community care provider shall provide for each consumer receiving the services written instructions for the operation of the equipment; sufficient training to the consumer, the family and staff to allow correct, safe operation of the equipment; and an emergency plan approprate for the services to the consumer.

LONG-TERM CARE MANAGEMENT AGENCY QUALITY ASSURANCE REQUIREMENTS

The Secretary shall promulgate regulations making payment for the provision of case management services contingent upon compliance, within 6 months of promulgation, with the home and community care consumer's bill of rights and with the following:

The agency shall provide a written copy of the bill of rights to each consumer or his or her representative.

The agency shall provide a written copy of and implement procedures for prompt review and resolution of grievances in the provision of services.

The agency shall provide a written statement of the services to be provided, the schedule for provision of services and how the consumer or his or her representative or guardian may appeal the benefit decisions made by the agency.

The agency shall maintain procedures that assure prompt access to long-term home and community care services for eligible consumers.

The agency shall ensure that personnel providing case managment services have received adequate training as prescribed in regulations by the Secretary, in consultation with the Long-Term Care Advisory Council.

The agency shall establish and implement case management processes that include a plan of care stating reasonable and measurable client objectives, services to meet the objectives, and outcome measures to the extent appropriate and available for each consumer served. The processes must include methods for periodic review of the consumer's needs and plan of care, methods for follow-up and on-going monitoring of service delivery, and a statement of criteria and procedures for discharge or transfer to another agency, program, or service.

SURVEY REQUIREMENTS

The Secretary, in consultation with the Long-Term Care Advisory Council, shall promulgate regulations establishing procedures for surveying long-term care management agencies regarding compliance with conditions of participation. The regulations shall include survey methodologies that include patient-oriented assessment techniques; process and outcome criteria for measuring compliance; and randomized onsite review of a representative sample of consumers.

The regulations shall include a graduated schedule of unannounced surveys not less than every 9 months for long-term care management agencies determined to have a substandard record of compliance; not less than every 15 months for agencies determined to have consistently satisfactory records of compliance; and not less than every 12 months for other such agencies.

The results of surveys shall be provided to the Long-Term Care Advisory Council, community advisory boards and others.

In the case of a state that has survey and enforcement procedures equivalent to the procedures the Secretary would apply, the Secretary may enter into a contract for the states to conduct the compliance survey required by this section. The Secretary shall develop and implement procedures for annually validating a representative sample of surveys performed by states. Such validation review shall take place within 1 month after the performance of a survey.

QUALITY ASSURANCE SYSTEM THROUGH PEER REVIEW ORGANIZATIONS

The Secretary shall promulgate regulations under which peer review organizations shall monitor the provision of home health

services and long-term home and community care. In awarding, administering, and evaluating contracts entered into with peer review organizations, the Secretary shall take into consideration information contained in reports issued by Consumer Boards; require that at least 3/4 of the level of effort of the peer review organization shall be for the purpose of monitoring the quality of home health services and long-term home and community care; require that the remainder of the efforts shall be for the purpose of review, on the basis of exceptional circumstances and on the health and safety of the consumer, of the appropriateness and necessity of care denied under this title.

The Secretary shall also require that any review include a representative sample of documentary reviews and personal interviews of home and community care consumers and providers; require that any responsibilities carried out by a third party under contract with the peer review organization are fully integrated with other functions of the organization; and require that the membership of the peer review organization board include representatives of all types of home and community care providers reviewed by the organization and consumers under section 9353(b) of the Omnibus Budget Reconciliation Act of 1986.

A peer review organization performing functions under this subsection may not be a home health agency; a home and community care management agency; a home and community care provider; or a fiscal intermediary.

The Secretary shall make available to a peer review organization such information as may be necessary for it to carry out its responsibilities, and the organization may recommend to the Secretary sanctions to be applied to home health agencies and to home and community care management agencies that have not met professionally recognized standards of care.

The Secretary shall establish a Consumer Board in each state within 1 year after the date of enactment of this section. The Board shall be composed of at least 5 and not more than 7 members appointed by the Secretary on the basis of recommendations from organizations in each state representing home and community care consumers entitled to benefits under this title. The Secretary shall provide limited staff support and training as is necessary for the Board to carry out its functions.

A Consumer Board shall monitor the review activities of peer review organizations by providing input into the awarding of contracts and by evaluating the contracts and mechanisms established to monitor home health agencies and home and community care management agencies. A Board shall have access to information of peer review organizations, results of state

surveys, and information from toll-free hotlines after protection of identities of individual providers and consumers. A Board shall file an annual report with the Secretary and the chief executive officer of the state on October 1 of each year regarding the performance of peer review organizations during the previous year. A Board shall not be involved in the day-to-day operations of peer review organizations.

Peer review organizations shall establish and operate statewide toll-free hot-lines for receiving questions and complaints from home and community care consumers, home and community care providers, and other interested persons concerning home and community care quality issues.

The Secretary shall require peer review organizations to assist home and community care consumers in the resolution of problems related to the quality of home and commmunity care services and case management services.

Consumer Boards and peer review organizations shall coordinate with state and local government officials to educate home and community care consumers regarding quality assurance programs and various forms of assistance available to consumers having quality assurance problems.

COMMUNITY ADVISORY BOARDS AND ADDITIONAL QUALITY ASSURANCE

Each state shall appoint members to a community advisory board for each long-term management agency. Each board shall be composed of long-term home and community care consumers and their families, representatives of agencies and organizations representing long-term care consumers and professionals providing services to chronically ill individuals. Long-term home and community care consumers, their families, or their representatives shall form a majority of the members of each board. The Secretary shall provide limited staff support to each board as is necessary to carry out its functions.

Each board shall monitor the activities of the long-term care managment agency; provide input into the selection of long-term care management agencies; file a report with the Secretary on the findings of its monitoring not less frequently than annually; and have prompt access to surveys and investigations of complaints.

The Secretary shall develop methods for monitoring the continuity of care provided to home and community care consumers throughout episodes of illness and across care settings, and shall develop outcome-oriented criteria for use in determining quality assurance in home and community care.

SANCTIONS

The Secretary shall develop and implement a range of intermediate sanctions and procedures implementing such sanctions for failure to comply with this section. Sanctions and procedures shall include: civil monetary penalties, a ban on admissions, receivership, and emergency authority to decertify home health agencies and long-term care management agencies; criteria on when and how each sanction is to be applied and the amounts of fines and penalties; a design to minimize time between identification of violations and imposition of sanctions; a schedule for corrective action; a requirement for public disclosure of failure to meet professionally recognized standards of care and the sanctions imposed for such failure.

The Secretary shall file an annual report with the Congress on January 1 of each year regarding the availability, adequacy and use of sanctions to correct failures of long-term care management agencies to meet the requirements of this title.

DEVELOPMENT OF LICENSING POLICIES

The Secretary shall encourage states to develop policies and procedures for the licensing of home health agencies; gather information relating to activities of states in implementing licensing policies and procedures; and issue a biannual report summarizing this information.

LONG-TERM CARE ADVISORY COUNCIL

The Council shall be established no later than 60 days after the date of enactment of this section. The Council shall be composed of 13 individuals appointed by the Secretary and shall include, to the greatest extent possible, individuals with expertise in pediatrics, geriatrics, gerontology, disability, case management of home and community-based services and payment for such services, home and community-based care consumers and their representatives, professionals with expertise in long-term care (including nurses, social workers and discharge planners and physicians), third-party payers, long-term care ombudsmen, peer review organizations, and state and local health and social service agency representatives. Appointment to the Council shall be for a term not to exceed 4 years.

The purposes of the Council are to assist the Secretary in assuring the prompt and efficient implementation of the provisions of this part; to review regularly the implementation

of these provisions; and to recommend to the Secretary and the Congress any needed changes or refinements to these provisions or their implementing regulations.

The Secretary shall consult regularly and closely with the Council in the implementation and administration of the provisions of this part and on the issuance of regulations. The Secretary (or the Secretary's designee) shall meet with the Council at least once every month during the 24-month period beginning 2 months after the date of the enactment of this part, and at least quarterly thereafter.

STUDIES

The Secretary shall conduct studies on quality assurance measures for long-term home and community care services provided under this part. The studies shall include examination of methodolgies to develop and evaluate outcome stadards; mechanisms for ensuring and monitoring quality by episode of care; the role of case management for ensuring quality in the provision of services; differing approaches to and responsibility for development of a plan of services; and the impact on quality of care of the separate reimbursment for supply of durable medical equipment and the training of consumers and their families in the operation of such equipment.

The Secretary shall report the findings of these studies to the Congress no later than 2 years after the date of enactment of this part.

REPORTS ON QUALITY ASSURANCE SYSTEM

The Secretary shall prepare (in consultation with the Long-Term Care Advisory Council) and file an annual report with the Congress on January 1 of each year on the nature and performance of the home and community long-term care quality assurance system.

Each report shall include information on: the number of individuals served; the amount of Federal funds expended; noncompliance by providers and sanctions imposed; the economic impact on home health agencies of requirements of this section; the impact of requirements of this section on availability of services in rural areas and to members of minority and ethnic groups; the concerns and recommendations of community advisory boards and Consumer Boards; and the status of studies on quality assurance measures.

AUTHORIZATIONS

There are authorized to be appropriated from the Federal Long-Term Care Trust Fund such sums as may be necessary in each fiscal year to carry out the provisions of this section.

EFFECTIVE DATE

The amendments made by this section shall become effective upon the date of enactment of this Act.

TITLE III - FINANCING OF LONG-TERM CARE

SEC. 301. SOURCE OF REVENUE FOR HOME AND COMMUNITY CARE

ELIMINATION OF LIMIT ON WAGES OR SELF-EMPLOYMENT INCOME SUBJECT TO HOSPITAL INSURANCE TAX

Section 230 of the Social Security Act is amended to provide that notwithstanding any provision of the Social Security Act or the Internal Revenue Code of 1986, there is no limit on the amount of an individual's net earnings from self-employment or remuneration for employment that is subject to the hospital insurance tax. Conforming amendments are made to the Internal Revenue Code of 1986.

EFFECTIVE DATE

The amendments made by this section shall apply with respect to remuneration paid after December 31, 1992, and with respect to earnings from self-employment attributable to taxable years beginning after such date.

SEC. 302. SOURCE OF REVENUE FOR NURSING FACILITY CARE

INCREASE IN FICA TAXES

TAX ON EMPLOYEES

The table in section 3101(a) of the Internal Revenue Code of 1986 (relating to rate of tax on employees for old-age, survivors, and disability insurance) is amended to provide that the rate of tax on wages shall be 6.2 percent in 1992 and 6.7 percent in 1993 or thereafter.

TAX ON EMPLOYERS

The table in section 3111(a) of the Internal Revenue Code of 1986 (relating to rate of tax on employers for old-age survivors, and disability insurance) is amended to provide that the rate of tax

shall be 6.2 percent in 1992 and 6.7 percent in 1993 or thereafter.

TAX ON SELF-EMPLOYMENT INCOME

The table in section 1402(a) of the Internal Revenue Code of 1986 (relating to rate of tax on self-employment income for old-age survivors, and disability insurance) is amended to provide that the rate of tax shall be 12.4 percent before January 1, 1993, and 13.4 percent after December 31, 1992.

TITLE IV - MEDICARE BUY-IN FOR INDIVIDUALS WITH DISABILITIES

SEC. 401. PERMITTING INDIVIDUALS WITH DISABILITIES TO PURCHASE MEDICARE COVERAGE DURING THE 24-MONTH WAITING PERIOD FOR MEDICARE ENTITLEMENT; PERMITTING INDIVIDUALS WITH DISABILITIES NOT ENTITLED TO LONG-TERM CARE BENEFITS TO BUY INTO MEDICARE TO OBTAIN SUCH BENEFITS

Section 1818(a) of the Social Security Act is amended to provide that an individual who has not attained the age of 65 and would be eligible except for the 24 month waiting period has the option of enrolling for Medicare or for long-term care benefits or for both.

The Secretary shall promulgate, during the next to last calendar quarter of each year, the dollar amount applicable for premiums for months occurring in the following year.

The aggregate premium amount for individuals enrolling for Medicare benefits shall equal 100% of the estimated amount payable from the Federal Hospital Insurance Trust Fund for services and related administrative costs incurred for such individuals. Amounts shall be rounded to the nearest multiple of $1.

The aggregate premium amount for individuals enrolling for long-term care benefits shall equal 50% of the estimated amount payable from the Federal Long-Term Care Trust Fund for long-term care benefits and related administrative costs incurred for such individuals. Amounts shall be rounded to the nearest multiple of $1.

EFFECTIVE DATE

The amendments made by this section shall apply to months beginning on or after July 1, 1993.

PAUL SIMON
ILLINOIS

cc: Melanne

F

COMMITTEES:
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INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

May 25, 1993
Dictated 5-23-93

Mrs. Hillary Clinton
The White House
Washington, DC 20500

PAM JUN 7 1993

Dear Hillary:

I am dictating this on Sunday afternoon, just after reading "Saint Hillary" in the New York Times Magazine.

I have always been favorably impressed by you; though, frankly, during a campaign we all get to be reasonably good at these endeavors, and I admit to not being overly-impressed. But in the meetings that we have had on health care, you have been absolutely superb, and I became a fan. Then I read the New York Times piece. That simply reinforced my very strong favorable impression. Don't worry about writers who talk about "intellectual incoherence." Anyone who thinks and reflects at all is guilty of that.

I like a leader who has vision and heart and yet, at the same time, is realistic. You have all of these qualities.

I didn't get to know Reinhold Niebuhr, but my brother, who is a Lutheran minister, took a course under him. And I have read some of his writings. I know he would be proud of you.

Sincerely,

Paul Simon
U. S. Senator

PS/jw

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PAUL SIMON
ILLINOIS

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INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-1302

August 16, 1993
Dictated August 10, 1993

Ms. Kathleen M. McDermott
8995 Morning Grove Court
Cordova, Tennessee 38018

Dear Kathy:

It was great to hear from you.

Sometime when you're in Washington, we can try to work out a brief meeting for you; but because of the Clinton's schedule, my instinct is, you should probably not plan for a specific time. And when you are here, we will try to work out a chance for you to say hello to Hillary Clinton.

Cordially,

Paul Simon
United States Senator

PS:bd

cc: Mrs. Hillary Rodham Clinton

(Dictated by Paul Simon and signed in his absence.)

* No reply necessary

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PAUL SIMON
ILLINOIS

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United States Senate

WASHINGTON, DC 20510-1302

May 27, 1993

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

Dear Hillary:

I have recently received an invitation to attend an annual conference of the Illinois Association of Rehabilitation Facilities (IARF) in late September. Mr. David Stover, the Executive Director of IARF, has informed me that you have been invited to give the keynote speech on September 30th and my hope is that you will consider accepting this honor.

The 700+ professionals who will attend this conference are representative of the over 45,000-50,000 health care workers and administrative staff who are members of IARF. The insight you would bring to this meeting would have a great impact, as the 130 community agencies represented at this conference annually care for approximately 110,000 persons with disabilities.

If more information about this conference or IARF would be helpful, do not hesitate to contact me.

My best wishes.

Cordially,

Paul Simon
U. S. Senator

PS/jlw

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THE WHITE HOUSE

September 1, 1993

Honorable Paul Simon
United States Senate
Washington, D.C. 20510

Dear Senator Simon:

Thank you for sending me Mr. Gerald Montroy's legal analysis of Illinois' Medical Malpractice Law. The President's proposal will indeed include responsible malpractice reforms. Please assure Mr. Montroy that the President's advisors will review the materials he has provided.

Again, thank you for contacting me.

Sincerely,

Hillary

Hillary Rodham Clinton

THE WHITE HOUSE

WASHINGTON

August 18, 1993

Honorable Paul Simon
United States Senate
Washington, D.C. 20515

Dear Senator Simon:

Thank you for your letter in support of the invitation extended by the Hoyleton Children's Home Foundation. Unfortunately, my schedule does not permit me to take part in every event that I would like to attend. If I am able to take part in this worthwhile event, I will contact your office directly.

Again, thank you for writing.

Sincerely,

Hillary

Hillary Rodham Clinton

PAUL SIMON
ILLINOIS

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United States Senate

WASHINGTON, DC 20510-1302

July 15, 1993 SS MW

First Lady Hilary Rodham Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mrs. Clinton:

It is my understanding that you have been contacted by the Hoyleton Children's Home Foundation regarding your serving as speaker for their 100th Anniversary celebration.

Hoyleton is a small community in Illinois, not far from St. Louis, Missouri. The date of their event has not been set yet, as they are anticipating an answer from you. They would, however, like the celebration to take place between August 1994 and August 1995.

Assuming your schedule permits, I am confident Hoyleton Children's Home Foundation would appreciate your considering them.

My best wishes.

Cordially,

Paul Simon

Paul Simon
U.S. Senator

PS/djb

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PAUL SIMON
ILLINOIS

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United States Senate

WASHINGTON, DC 20510-1302

February 18, 1993

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

Dear Hillary:

I am enclosing a note I have received from Berkley Bedell, a former member of Congress, who initiated the efforts to have alternative health procedures studied by the National Institutes of Health.

Berkley is a creative person who would be a valuable addition to any commission.

Good luck in your endeavors.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

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Attached to me
F

PAUL SIMON
ILLINOIS

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United States Senate

WASHINGTON, DC 20510-1302

September 19, 1994
Dictated September 16, 1994

Mrs. Hillary Rodham Clinton
Office of the First Lady
West Wing
The White House
Washington, D.C. 20500

Dear Hillary:

I thought you might be interested in the column I wrote for the newspapers in Illinois this past week.

I confess I am discouraged, but I am proud of the leadership role you have played.

Cordially,

Paul Simon
United States Senator

PS:bd
Enclosure

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Profiteers' Victory Over The Public In Health Reform May Be Short-lived

P.S./*WASHINGTON*

a column by
U.S. Senator Paul Simon of Illinois

As I type this, the health care legislation that has been so much discussed appears to be taking its last breaths, and it is doubtful that it will be revived before the next session of Congress.

That means that 38 million Americans will continue to have no health care coverage and for those of you who have it, there is no certainty that if you change or lose your job you will still have health care.

For the nation's economy this news is equally bad: In 1980 the nation spent 1 of every 11 dollars on health care; this year it is 1 of 7, and by the year 2000 it will be 1 of 5. No other nation comes anywhere near those high figures – and the other western industrial nations have health protection for all their citizens, at much less cost.

A respected pollster, Peter Hart, told *The New York Times:* "The worst of the process worked. Yes, there was a dialogue, but it was so influenced by the special interest groups that the public didn't get a true and honest debate. What they learned is everything they had to fear – and very little about what they could hope for."

Those who profit from the present system prevailed; the public interest did not.

The insurance companies – not all of them – who thought they might lose a few dollars in profit, and the tobacco companies who fought vigorously, may have won a temporary victory, but the insurance companies particularly may have forced a situation where they won a battle but will end up outsmarting themselves and losing a great deal.

If some version of the Clinton plan had prevailed, responsible insurance companies and insurance agents could have continued to do well. Yes, they would have had to spell out their policies more clearly, but that would be more than offset by the additional customers they could get among the 38 million uninsured.

Now there will be growing recognition that even with a president pushing a reform program, big money prevailed over the public interest at the national level – and there will be much more support for a single-payer system on a state-by-state basis, similar to the program that Canada has.

That leaves the insurance companies out completely.

There is much propaganda in the United States about how terrible the Canadian system is. If the Canadian system were so terrible, it is amazing that not one member of the Canadian parliament wants to repeal it.

A 1989 poll of public opinion in the United States and Canada found that three percent of Canadians would like the U.S. system but 61 percent of Americans would prefer the Canadian system.

There have been problems with the Canadian system. At one point in Ontario there were waiting lists for surgery but that was corrected. Canada has no co-payment – a small fee to be paid by each patient – and my Canadian friends say that has been a mistake, that it causes overutilization.

Even with President Clinton pushing health care reform, big money prevailed over the public interest at the national level.

But most of the other charges against the Canadian system are pure myth. Yes, the United States is ahead in research and I want us to stay ahead. But we can do that and still do much better by all of our people.

Here are some of the myths and realities:

"Canadians come to the United States for health care." Some do. That is particularly true where we have specialties on heart care or that type of thing – but the costs are picked up by the Canadian system. But far more Americans go into Canada to try to take advantage of their system than the Canadians who come here. Fewer than 1 percent of the hospital beds in border U.S. cities are occupied by Canadian citizens. But Canadian parliamentarians are considering legislation to prevent so many Americans from coming into Canada to take advantage of their system.

"It sounds great, but if I need serious surgery, I would have a better chance of getting it in the United States than in Canada."

Think again! Look at these statistics: heart and/or lung transplants – per hundred thousand in the U.S. and Canada, virtually identical; liver transplants – 6.8 per hundred thousand in the U.S., 7.1 in Canada. More bone marrow transplants in Canada, and the list goes on.

The infant mortality rate is one-third higher in the United States than in Canada. The average lifespan is two years greater in Canada than in the U.S.

"Physicians don't like the Canadian system."

The average physician does not make as much money in Canada as in the United States, but even with that, only 240 Canadian doctors either came or tried to come to the United States in 1992 and the numbers are declining.

Canadian doctors like a system that pays them promptly without a hassle, with more than 96 percent of the claims paid within four weeks.

A 1993 survey by the *New England Journal of Medicine* found Canadian physicians 50 percent more likely to be satisfied with their system than U.S. doctors are with ours. *The Toronto Globe and Mail* reported a 1992 poll of Canadian physicians and found 63 percent satisfied with their system. One percent of the doctors called Canada's system of health care poor and 83 percent described it as good or excellent. Eighty-five percent of the doctors agreed with the statement that the Canadian health care system is better than the United States.

All of this means that the greedy among those who fought health care reform in our nation may have been too greedy for their own economic health.

The battle may now shift to the states, where the public interest may prevail over the profiteers.

For Release: September 18 - September 24, 1994
(May Be Used Upon Receipt)
Column Topics: Health Care Reform; Insurance; Tobacco Tax.

TO: Hillary Rodham Clinton
FROM: Jennifer Klein jk
DATE: 6/7/95
RE: Simon Letter

As you can see, Senator Simon sent his Healthy Mothers, Healthy Children Act to you. The bill is designed to make affordable coverage available to children and pregnant women. Because we seem to be leaning away from children's coverage, I do not think you should endorse his approach, but you can be generally supportive of his efforts. I checked with Melanne and she agreed.

THE WHITE HOUSE

June 9, 1995

The Honorable Paul Simon
United States Senate
462 Dirksen Building
Washington, D.C. 20510-1302

Dear Paul:

Thank you for sending me a copy of your Healthy Mothers, Healthy Children Act of 1995. As you noted in your letter, I share your deep concern about improving maternal and child health. Now more than ever it is so important that our nation's children have champions in Congress who are dedicated to their well-being.

With best wishes, I am

Sincerely yours,

Hillary

Hillary Rodham Clinton

PAUL SIMON
ILLINOIS

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United States Senate

WASHINGTON, DC 20510-1302

May 17, 1995

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

PAID 1995

Dear Hillary:

I admire your strong continuing interest in health care reform and in maternal and child health issues. Knowing that you share my deep commitment that we protect our children from the adverse effects of some current budget cutting proposals, I would like to give you an advance look at a bill that I plan to introduce in early June.

The bill, the "Healthy Mothers, Healthy Children Act of 1995," ensures that all children, beginning with those under seven years, and pregnant women have affordable coverage for comprehensive, high quality health care through state-based programs involving private health plans.

I have enclosed an executive summary, a section-by-section summary, and a legislative draft of the bill for your information. I would especially appreciate any comments that you may have on this bill or your suggestions for moving this issue to the public's attention.

My best wishes.

Cordially,

Paul Simon
U. S. Senator

PS/tre

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Healthy Mothers, Healthy Children Act of 1995

This bill ensures affordable coverage for comprehensive, high quality health services through state-based programs for all children, beginning with children under seven, and for all uninsured pregnant women. Older children are phased in as funds become available. A national trust fund is established to fund state programs involving private health plans. States and families who are satisfied with their existing health system or coverage do not have to participate.

Eligibility and Cost Sharing: All children under seven years are eligible, regardless of family income, employment, or insurance status. Pregnant women without employer-based coverage are eligible. Children are enrolled during a national open enrollment period. Medicaid-eligible children are shifted into the program, thus enhancing choice of providers, ensuring a continuum of care, and averting a multi-tiered health care system. Families and state and federal governments contribute towards the cost of care. All families contribute according to their ability to pay. In addition, all families receive a premium subsidy, ranging from 99% to 5%, based on a sliding scale of income. There is a cap on annual family expenses and a $5 copayment for certain services (preventive services are excluded).

State Flexibility and Reliance on the Private Sector: States match federal funds at a rate more generous than their current Medicaid matching rate, and all state funds will eventually be matched at a 1:4 state:federal ratio. States have flexibility to determine the program structure, administer the program, and innovation is encouraged. The program is based on a "management by objectives" approach -- states and health plans are given the flexibility to determine how they will meet program objectives. Health services are provided by private health plans, competing to deliver the highest quality care at the lowest price. It is expected that existing health plans will innovate and new health plans will be formed in response to the program. Existing state and federal maternal and child health programs are integrated and coordinated under this bill.

Comprehensive Health Services: All participating health plans must provide comprehensive health services to be defined by the Secretary of HHS and health professional organizations. In general, services include: preventive services, ambulatory care, laboratory services, prescription drugs, hospital and in-home services, mental health services, dental and vision care, long-term health care for children with disabilities and chronic health conditions, durable medical equipment, and allied health services.

Quality and Information Systems: There are a series of controls to ensure quality at the health plan, state, and federal levels. Standards for quality, utilization review, and other program guidelines are developed in consultation with private health plans, professional societies, and other private sector organizations. National maternal and child health and childhood immunization information systems are established to monitor and evaluate program quality and health status indicators. A national nongovernment council provides program oversight and advises the Secretary on program administration and modifications.

Grants: Up to 5% of trust funds can be used to fund states, universities, and other nonprofit organizations to improve access to health services, strengthen public health functions, enhance health-related research, and support other activities that improve the health of mothers and children.

Employers: Employers who drop coverage of employee-dependent children as a result of this Act must pay a temporary (five-year) annual maintenance of effort fee equivalent to 50% of health coverage costs for their employee's children. To discourage dropping of coverage, families whose coverage is dropped by their employers are not eligible for the program for six months.

Financing Sources: 1) premiums from families, 2) shifting of federal Medicaid funds for targeted groups, 3) increase in federal excise taxes on tobacco products of $1.50/pack. (A fund is established to minimize economic impact on affected states and some funds are used to prevent tobacco use among children.), 4) state matching funds, 5) savings from elimination/reduction of duplicative federal and state programs, and 6) charitable contributions, including check-off contribution on tax returns.