IRC BRIEFING BOOK

Democratic
Senators' Conf.

Jamestown
4/24/93

April 21, 1993
Publication: SR-12-Health

dpc special report

democratic policy committee

HEALTH ACROSS AMERICA PART II, SPRING 1993

America's Growing Health Care Crisis, with State-by-State Data

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Democratic Policy Committee
United States Senate
Washington, D.C. 20510

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Introduction

In October, 1992, the Senate Democratic Policy Committee published its first snapshot of Health Across America. The report detailed the impact of soaring health care costs on American families. It also provided State-by-State data on rising health costs, the impact on each State's families and businesses, and how many residents had no health insurance coverage.

This Spring 1993 edition of Health Across America presents a new, more detailed analysis showing Americans losing their health insurance and falling through the health safety net at a faster and faster pace.

This new edition also includes updated data on the increasing health care crisis, State-by-State.

Health Across America

Thousands of Americans lose their health insurance every day. Many more are falling through holes in their health insurance safety net.

Too many American families lose their coverage if someone gets sick or changes jobs. In addition, far too often their insurance company will simply refuse to pay their medical bills. Moreover, health insurance is available at fewer and fewer workplaces, so workers are locked into jobs they don't want. With the Nation's health system in crisis, any American family could lose whatever protection it now has.

Meanwhile, health care costs continue to soar at a dizzying pace. As employers cut back on benefits, American workers are forced to pay more money for health care out of their own pockets.

The fact is, what we have today is not really "insurance." The American people know that they do not have the health security they deserve.

President Clinton is committed to reforming our health system so that every American has peace of mind. The plan the Administration is developing will guarantee all Americans access to high quality, affordable health care.

Americans Lack The Health Care Security They Deserve

American families are concerned about their health coverage. They have discovered that what they have purchased is not really "insurance."

That is because they are still vulnerable to the dangers inherent in our Nation's health care system. Millions of Americans purchase insurance and pay their premiums, only to find that when they are sick and need their insurance to pay a claim, the insurance company doesn't pay, or drops their coverage.

American Families Lose Their Health Coverage Every Day

- 100,000 people each month lose their health insurance coverage.[1]

- About 57 million non-elderly Americans will be without health insurance at some point during 1993. (State-by-State data to follow).[2]

Pre-existing Conditions

Insurance companies often use pre-existing condition rules to deny payment.

- Sixty-nine percent of employers have health insurance policies that include pre-existing condition rules.[3]

Job Lock

The reduction of health insurance available to workers has created a phenomenon known as "job lock." Since insurance coverage is not guaranteed, Americans know that if they change jobs, they could lose their insurance.

- One in five (19 percent) workers say they or a family member are locked into a job because new work offers limited or no health insurance, or they have health problems that would be considered "pre-existing conditions" under a new policy.[4]

Fewer Employers Provide Health Benefits

Most of the Nation's uninsured are working Americans and their dependents whose employers do not provide health care coverage.

- In 1990, 80 percent of the uninsured (about 27 million people) were employed or the dependents of employed individuals.[5]

For the 150 million Americans who receive their health insurance from their employers, our Nation's health crisis means that they are vulnerable to losing the health coverage they currently have. A recent *Washington Post*/ABC News poll showed that 34 percent of Americans said their employer cut back their health benefits or made them pay a greater share of insurance costs in the last two years.[6]

- While 54 percent of employers offered full hospital coverage in 1988, only 43 percent did in 1992.

- In 1988, 43 percent of employers required employee contributions for employee medical coverage, compared with 61 percent in 1992.[7]

Insurers Deny Claims

- A recent study of Indiana hospitals revealed that almost half of the cost from bad debt and charity care came from patients with insurance policies, whose insurers refused to pay.

- In the few States that keep records, the majority of consumer complaints about health insurers were about claims denials.[8]

Costs Continue To Soar

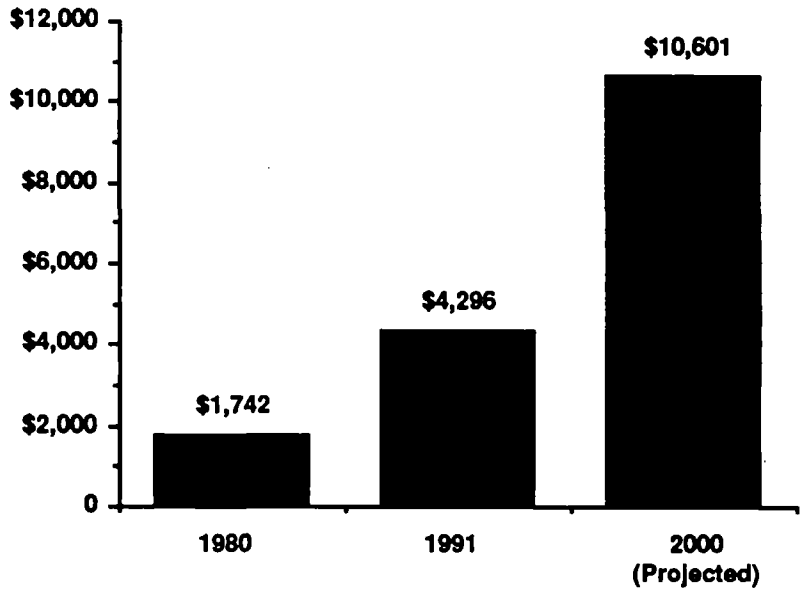
We All Pay For Those Without Insurance

Even though our Nation will spend almost $900 billion on health care this year, 35 million Americans have no health coverage. The lack of universal insurance coverage has human and economic costs. A recent government report estimated that every hospital in America loses an average of $1.4 million each year from uncompensated care — providing care to those without insurance. Hospitals, like all health providers, must make up this lost revenue by charging higher prices to their other patients who have insurance. Consequently, all Americans pay the health bills of those without insurance.[9]

Total Family Health Spending is Skyrocketing

- While the average American family spent $4,296 on health care in 1991, it will spend $10,601 in the year 2000.[10]

Average Health Spending Per American Family Without Health Care Reform



Source: Families USA; Senate Democratic Policy Committee

Families Face High Out of Pocket Costs — Even If They Have Insurance

All Americans are vulnerable to the high costs of health care. Even those with insurance are hit because their insurance will not cover all their health expenses.

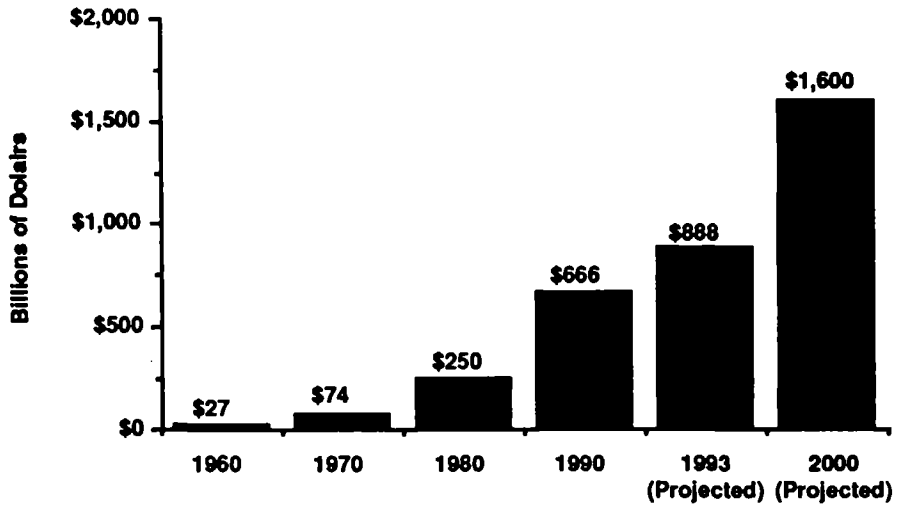
- Almost one-third of all Americans, 75 million people, are uninsured or will have direct out-of-pocket health expenses of more than 10 percent of their pretax income.

- Twenty-five million Americans will spend more than 10 percent of their pretax income on out-of-pocket health expenses in 1993. For a family of four earning $40,000 a year, this means it would spend more than $4,000 on health care. This does not include the amount they will spend on their health insurance premium, which is about $1,100 for basic coverage.[11]

National Health Spending Continues to Spiral

- National health spending will reach $888 billion in 1993, and will reach more than $1.6 trillion in the year 2000.[12]

National Health Spending
Without Health Care Reform



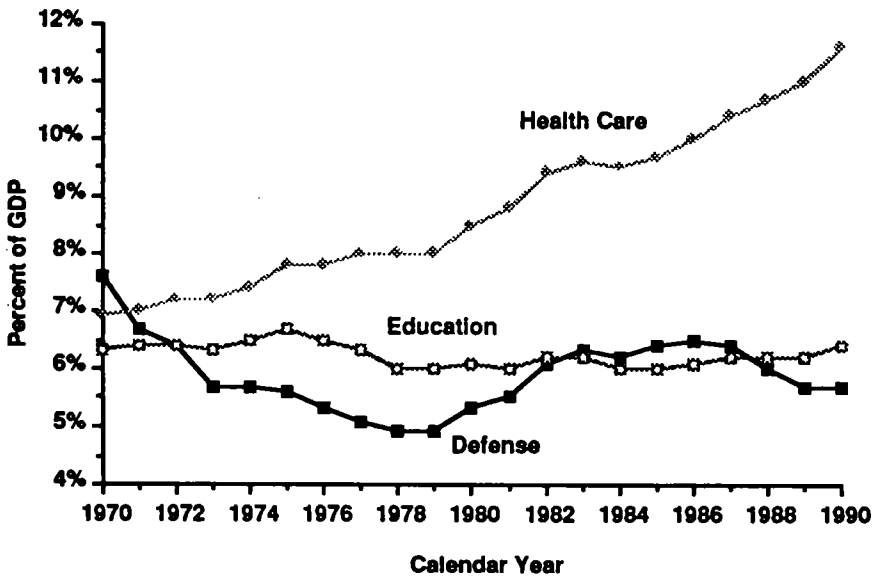
Source: Health Care Financing Administration; HHS; Commerce Dept.; Families USA; Senate Democratic Policy Committee

- State and local governments spent $123 billion on health care in 1992. This total will reach $244 billion by the year 2000.[13]

- In 1970, the United States spent about the same percentage of GDP on health care, defense and education. By 1992, health spending reached about 13 percent of GDP. Defense spending accounted for only about 6 percent and education about 6.5 percent.[14]

Changing Demands on National Income

(Public and Private Spending, % of GPD)



Source: National Income and Product Accounts; Joint Economic Cte.

Americans Are Alone Among Citizens of the Industrialized World

- The United States is the only industrialized nation, except South Africa, that does not guarantee affordable health care for all its citizens.[15]

*(NOTE: The following State-by-State figures were compiled from sources such as the Census Bureau's Current Population Survey, Lewin/VHI, Families USA, and the Employee Benefits Research Institute — updated April 1993.)

Alabama

Increasing Health Care Costs

For Families

- In 1992, an average family in Birmingham with no employer-provided health insurance paid $3,780 for an individually purchased health insurance policy, even if it was healthy.

- The average family in Alabama will spend 138 percent more on health care today than it did just a decade earlier. In 1980, a typical family spent $1,707 on health care, in 1991 the same family spent $4,064, and by the year 2000, it can expect to spend $8,893. This represents a 421 percent increase in spending since 1980.

- During the last decade, the average Alabama family's health payments rose 200 percent faster than its wages.

For Business

- In 1980, Alabama businesses spent more than $825 million on health care. By 1991 this number had increased by more than 214 percent to more than $2.6 billion. It is expected to reach more than $5.6 billion by the year 2000. This would be a 578 percent increase in health spending by businesses since 1980.

- In the last decade, Alabama businesses witnessed a 214 percent increase in health payments while the Nation's businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- More than one million Alabama residents (26 percent) will have no health insurance at some point during 1993.

Alaska

Increasing Health Care Costs

For Families

- In 1992, an average family in Anchorage with no employer-provided health insurance paid $4,284 for a health insurance plan, even if it was healthy.

- In 1980, a typical Alaskan family spent $1,590 for all its health care. In 1991, the same family spent $3,845, and, if present trends continue, it will spend $7,260 by the year 2000. This would be a 357 percent increase from 1980.

- During the last decade, the average Alaskan family's health payments rose 788 percent faster than its wages.

For Business

- Business spending for health care increased 462 percent since 1980, and is expected to reach more than $2.2 billion by the year 2000. This would be a 1,189 percent increase in health spending by businesses since 1980.

- In the last decade, Alaskan businesses witnessed a 462 percent increase in health payments while the Nation's businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- 137,000 Alaska residents (27.1 percent) will have no health insurance at some point during 1993.

Arizona

Increasing Health Care Costs

For Families

- In 1992, an average family in Phoenix with no employer-provided health insurance paid $2,633 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Arizona family spent $1,308 for all its health care. In 1991, the same family spent more than $3,439, and, by the year 2000, it can expect to pay $7,222. This would be a 452 percent increase from 1980.

- During the last decade, the average Arizona family's health payments rose 300 percent faster than its wages.

For Business

- In 1980, Arizona businesses spent $800 million on health care. By 1991 this number had increased by more than 375 percent to more than $3 billion. It is expected to reach more than $7.7 billion by the year 2000, an 862 percent increase in health spending by businesses since 1980.

- In the last decade, Arizona businesses witnessed a 375 percent increase in health payments while the Nation's businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- More than one million Arizona residents (28.1 percent) will have no health insurance at some point during 1993.

Arkansas

Increasing Health Care Costs

For Families

- In 1992, a family of four in Little Rock paid $5,662 for a typical individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Arkansas family spent $1,444 for all its health care. In 1991, the same family spent $3,480 on health care, and, by the year 2000, it can expect to pay more than $7,575. This would be a 425 percent increase from 1980.

- During the last decade, a typical Arkansas family's health payments rose 238 percent faster than its wages.

For Business

- In 1980, Arkansas businesses spent $440 million on health care. By 1991, this number had increased by more than 195 percent to more than $1.3 billion. It is expected to reach more than $2.8 billion by the year 2000. This would be a 535 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 740,000 Arkansas residents (29.9 percent) will have no health insurance at some point during 1993.

California

Increasing Health Care Costs

For Families

- In 1992, an average family in Los Angeles with no employer-provided health insurance paid $7,296 for a health insurance plan, even if it was healthy.

- In 1980, a typical California family spent $1,666 for all its health care. In 1991, the same family spent more than $4,433 and, if present trends continue, it will spend $9,765 by the year 2000. This would be a 486 percent increase from 1980.

- During the last decade, a typical California family's health payments rose 6 percent faster than its wages.

For Business

- In 1991, California businesses paid $35 billion on health care. Business spending increased 294 percent since 1980, and is expected to reach more than $81 billion by the year 2000. This would be a 810 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 8.6 million Californians (29 percent) will have no health insurance at some point during 1993.

Colorado

Increasing Health Care Costs

For Families

- In 1992, an average family in Denver with no employer-provided health insurance paid $4,056 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Colorado family spent $1,656 on all its health care. In 1991, the same family spent $3,933, and, by the year 2000, it can expect to pay $8,588. This would be a 418 percent increase from 1980.

- During the last decade, the average Colorado family's health payments rose 312 percent faster than its wages.

For Business

- In 1980, Colorado businesses spent $969 million on health care. By 1991 this figure had increased by more than 240 percent to more than $3.3 billion. It is expected to reach more than $7.4 billion by the year 2000. This would be a 663 percent increase since 1980.

How Many Without Coverage

- 843,000 Colorado residents (25.1 percent) will have no health insurance at some point during 1993.

Connecticut

Increasing Health Care Costs

For Families

- In 1992, an average family in New Haven with no employer-provided health insurance paid $8,768 for a health insurance plan, even if it was healthy.

- In 1980, a typical Connecticut family spent $2,015 on all its health care. In 1991, the same family spent $5,420, and, by the year 2000, it can expect to pay $12,100. This would be a 501 percent increase from 1980.

- During the last decade, a typical Connecticut family's health payments rose 114 percent faster than its wages.

For Business

- Business spending on health care has increased 253 percent since 1980. In 1980, Connecticut businesses spent $1.5 billion on health care, in 1991, $5.3 billion on health care, and costs are expected to reach more than $11.6 billion by the year 2000. This would be a 573 percent increase in health spending by businesses since 1980.

- In the last decade, Connecticut businesses witnessed a 253 percent increase in health payments while the Nation's businesses saw corporate profits rise only 130 percent.

How Many Without Coverage

- 495,000 Connecticut residents (15 percent) will have no health insurance at some point during 1993.

Delaware

Increasing Health Care Costs

For Families

- In 1992, an average family in Wilmington with no employer-provided health insurance paid $6,527 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Delaware family spent $1,913 on all its health care. In 1991, the same family spent $4,393 and, by the year 2000, it can expect to pay $9,055. This would be a 373 percent increase from 1980.

- During the last decade, the average Delaware family's health payments rose 165 percent faster than its wages.

- Delaware has the 14th highest health care costs in the country.

For Business

- In 1980, Delaware businesses spent $164 million on health care. By 1991, this number had increased by more than 305 percent to more than $667 million. It is expected to reach more than $1.3 billion by the year 2000. This would be a 693 percent increase in health spending by businesses since 1980.

- In the last decade, Delaware businesses witnessed a 305 percent increase in health payments while the Nations' businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- 150,000 Delaware residents (21.7 percent) will have no health insurance at some point during 1993.

Florida

Increasing Health Care Costs

For Families

- In 1992, an average family in Gainesville with no employer-provided health insurance paid $2,760 for a typical individually purchased health insurance plan, even if it was healthy.

- In 1980, the average Florida family spent $1,463 on all its health care. In 1991, the same family spent more than $3,930 on health care, and, by the year 2000, it can expect to pay $8,235. This would be a 463 percent increase from 1980.

- During the last decade, a typical Florida family's health payments rose 225 percent faster than its wages.

For Business

- In 1980, Florida businesses spent $2.2 billion on health care. By 1991, this figure had increased by more than 330 percent to more than $9.5 billion. It is expected to reach more than $23.7 billion by the year 2000. This would be a 900 percent increase in health spending by businesses since 1980.

- In the last decade, Florida businesses witnessed a 332 percent increase in health payments while the Nation's businesses saw corporate profits rise only 130 percent.

How Many Without Coverage

- More than 3.4 million Floridians (26.5 percent) will have no health insurance at some point during 1993.

Georgia

Increasing Health Care Costs

For Families

- In 1991, a typical family of four in Georgia paid $395 *a month* for an individually purchased health insurance plan. In 1988, the same family would have paid $158 a month for the same coverage. This is a 250 percent increase in just 3 years.

- In 1980, a typical Georgia family spent $1,666 *a year* for all its health care. In 1991, the same family spent $4,159, and, by the year 2000, it can expect to pay more than $8,880. This would be a 433 percent increase from 1980.

- During the last decade, a typical Georgia family's health payments rose 168 percent faster than its wages.

For Business

- In 1980, Georgia businesses spent more than $1.2 billion on health care. By 1991, this number had increased by more than 265 percent to more than $4.4 billion. It is expected to reach more than $10.8 billion by the year 2000. This would be an 800 percent increase in health spending by businesses since 1980.

- Health plan costs for Atlanta businesses climbed 26 percent from 1989 to 1990, an average of $250 a month per worker.

- In the last decade, Georgia businesses witnessed a 265 percent increase in health payments while the Nation's businesses saw corporate profits rise only 130 percent.

How Many Without Coverage

- More than 1.5 million Georgians (25.1 percent) will have no health insurance at some point during 1993.

Hawaii

Increasing Health Care Costs

For Families

- In 1980, a typical family in Hawaii spent $1,829 on all its health care. In 1991, the same family spent more than $4,595 on health care, and, by the year 2000, it can expect to pay more than $9,985. This would be a 446 percent increase from 1980.

- During the last decade, a typical Hawaiian family's health payment rose 146 percent faster than its wages.

For Business

- In 1980, Hawaii businesses spent $305 million on health care. By 1991, this had increased by 300 percent, to $1.2 billion. Business spending is expected to reach more than $2.7 billion by the year 2000. This would be a 785 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 200,000 Hawaii residents (17.8 percent) will have no health insurance at some point during 1993.

Idaho

Increasing Health Care Costs

For Families

- In 1992, an average family in Boise paid $2,822 for a health insurance plan, even if it was healthy.

- In 1980, a typical family in Idaho spent $1,202 on all its health care. In 1991, the same family spent more than $3,005, and, by the year 2000, it can expect to pay $6,726. This would be a 459 percent increase from 1980.

- During the last decade, the average Idaho family's health payments have risen 317 percent faster than its wages.

For Business

- In 1980, Idaho businesses spent $220 million on health care. By 1991 this number had increased more than 200 percent, to $664 million. By the year 2000, businesses are expected to pay nearly $1.4 billion, a 536 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 300,000 Idaho residents (28.8 percent) will have no health insurance at some point during 1993.

Illinois

Increasing Health Care Costs

For Families

- Illinois has the 6th highest health care costs in the country.
- In 1992, an average family in Illinois paid $5,305 for a typical individually purchased health insurance plan, even if it was healthy.
- In 1980, a typical Illinois family spent $2,002 on all its health care. In 1991, the same family spent more than $4,670, and, by the year 2000, it can expect to pay more than $10,420. This would be a 421 percent increase from 1980.
- During the last decade, the average Illinois family's health payments rose 171 percent faster than its wages.

For Business

- In 1980, Illinois businesses spent more than $4.5 billion on health care. By 1991 this had increased by 183 percent, to more than $13 billion. It is expected to reach more than $26 billion by the year 2000. This would be a 565 percent increase in health spending by businesses since 1980.
- Between 1980 and 1991, Illinois businesses witnessed a 183 percent increase in health payments, while the Nation's businesses saw corporate profits rise only 130 percent.

How Many Without Coverage

- 2.1 million Illinois residents (18.3 percent) will have no health insurance at some point during 1993.

Indiana

Increasing Health Care Costs

For Families

- In 1992, an average family in Indianapolis with no employer-provided health insurance paid $3,375 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in Indiana spent $1,643 on all its health care. In 1991, the same family spent more than $3,970, and, by the year 2000, it can expect to pay more than $8,770. This would be a 434 percent increase from 1980.

- During the last decade, a typical Indiana family's health payments rose 274 percent faster than its wages.

For Business

- In 1980, Indiana businesses spent more than $1.87 billion on health care. By 1991 this number had increased by 151 percent to more than $4.7 billion. It is expected to reach more than $9.2 billion by the year 2000. This would be a 392 percent increase in health spending by businesses since 1980.

- In the last decade, Indiana businesses witnessed a 151 percent increase in health care payments while the Nation's businesses saw corporate profits rise only 130 percent.

How Many Without Coverage

- One million (19.4 percent) Indiana residents will have no health insurance at some point during 1993.

Iowa

Increasing Health Care Costs

For Families

- In 1992, an average family in Des Moines with no employer-provided health insurance paid $3,275 for a health insurance plan, even if it was healthy.

- In 1980, a typical family spent $1,826 on all its health care. In 1991, the same family spent more than $4,025 on health care, and, by the year 2000, it can expect to pay more than $9,020. This would be a 394 percent increase from 1980.

- During the last decade, a typical Iowa family's health payments rose 245 percent faster than its wages.

For Business

- In 1980, Iowa businesses spent more than $976 million on health care. By 1991 this number had increased by 167 percent to more than $2.6 billion. It is expected to reach more than $4.7 billion by the year 2000. This would be a 382 percent increase in health spending by businesses since 1980.

- In the last decade, Iowa businesses witnessed a 167 percent increase in health care payments while the Nation's businesses saw corporate profits rise only 130 percent.

How Many Without Coverage

- 459,000 Iowa residents (16 percent) will have no health insurance at some point during 1993.

Kansas

Increasing Health Care Costs

For Families

- In 1992, an average family in Topeka with no employer-provided health insurance paid $3,408 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in Kansas spent $1,801 on all its health care. In 1991, the same family spent more than $4,481, and, by the year 2000, it can expect to pay more than $9,835. If present trends continue they can expect to pay 446 percent more by the year 2000 than they did in 1980.

- During the last decade, a typical Kansas family's health payments rose 263 percent faster than its wages.

For Business

- In 1980, Kansas businesses spent more than $830 million on health care. By 1991, this figure had increased by 213 percent to more than $2.6 billion on health care. It is expected to reach more than $5.2 billion by the year 2000. This would be a 523 percent increase in health spending by businesses since 1980.

- In the last decade, Kansas businesses witnessed a 213 percent increase in health payments while the Nation's businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- 460,000 Kansans (18.2 percent) will have no health insurance at some point during 1993.

Kentucky

Increasing Health Care Costs

For Families

- In 1992, an average family in Louisville with no employer-provided health insurance paid $2,828 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Kentucky family spent more than $1,524 on all its health care. By 1991, this amount had increased to more than $3,200 and, by the year 2000, Kentucky families paid more than $7,175 a year on health care. This would be a 371 percent increase from 1980.

- During the last decade, a typical Kentucky family's health payments rose 197 percent faster than its wages.

For Businesses

- In 1980, Kentucky businesses spent more than $825 million on health care. By 1991, this number had increased by 154 percent to more than $2.1 billion. It is expected to reach more than $4.4 billion by the year 2000. This would be a 432 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 835,000 Kentucky residents (22.7 percent) will have no health insurance at some point during 1993.

Louisiana

Increasing Health Care Costs

For Families

- In 1992, an average family in Baton Rouge with no employer-provided health insurance paid $4,032 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family spent $1,671 on all its health care. In 1991, the same family spent more than $3,800, and, by the year 2000, it can expect to pay more than $8,510. This would be a 409 percent increase from 1980.

- During the last decade, a typical Louisiana family's health payments rose 341 percent faster than its wages.

For Businesses

- In 1980, Louisiana businesses spent more than $1.3 billion for health care. By 1991, this number increased by 145 percent to more than $3.2 billion on health care. It is expected to reach more than $6.9 billion by the year 2000. This would be a 430 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 1.3 million Louisiana residents (32.8 percent) will have no health insurance at some point during 1993.

Maine

Increasing Health Care Costs

For Families

- In 1992, an average family in Augusta with no employer-provided health insurance paid $4,242 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Maine family spent $1,487 on all its health care. In 1991, the same family spent $3,946, and, by the year 2000, it can expect to pay $8,640. This would be a 481 percent increase from 1980.

- During the last decade, a typical Maine family's health payments rose 385 percent faster than its wages.

For Businesses

- In 1980, Maine businesses spent more than $310 million on health care. By 1991, this number had increased by more than 250 percent to more than $1.1 billion. It is expected to reach more than $2.5 billion by the year 2000. This would be a 700 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 241,000 Maine residents (19.3 percent) will have no health insurance at some point during 1993.

Maryland

Increasing Health Care Costs

For Families

- In 1992, an average family in Baltimore with no employer-provided health insurance paid $3,342 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Maryland family spent $2,049 on all its health care. In 1991, the same family spent more than $4,484, and, by the year 2000, it can expect to pay more than $9,875. This would be a 382 percent increase from 1980.

- During the last decade, Maryland family's health payments rose 89 percent faster than its wages.

For Businesses

- In 1980, Maryland businesses spent $1.15 billion for health care. By 1991, this number had increased by more than 200 percent to more than $3.6 billion. It is expected to reach more than $8 billion by the year 2000. This would be a 595 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 962,000 Maryland residents (20.2 percent) will have no health insurance at some point during 1993.

Massachusetts

Increasing Health Care Costs

For Families

- In 1992, an average family in Boston with no employer-provided health insurance paid $4,683 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Massachusetts family spent more than $2,062 on all its health care. In 1991, the same family spent more than $5,320, and, by the year 2000, it can expect to pay more than $11,934. This would be a 479 percent increase from 1980.

- During the last decade, a typical Massachusetts family's health payments rose 105 percent faster than its wages.

For Businesses

- In 1980, Massachusetts businesses spent more than $2.3 billion on health care. By 1991, this number had increased by more than 250 percent to more than $8.2 billion. It is expected to reach more than $17 billion by the year 2000. This would be a 630 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than one million Massachusetts residents (17.6 percent) will have no health insurance at some point during 1993.

Michigan

Increasing Health Care Costs

For Families

- In 1992, an average family in Detroit with no employer-provided health insurance paid $4,094 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Michigan family spent $1,879 on all its health care. In 1991, the same family spent more than $4,569, and, by the year 2000, it paid more than $10,000. This would be a 435 percent increase from 1980.

- During the last decade, a typical Michigan family's health payments rose 257 percent faster than its wages.

For Business

- In 1980, Michigan businesses spent more than $3.8 billion on health care. By 1991, this number had increased by more than 175 percent to more than $10.6 billion. It is expected to reach more than $21 billion by the year 2000. This would be a 450 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 1.5 million Michigan residents (16.5 percent) will have no health insurance at some point during 1993.

Minnesota

Increasing Health Care Costs

For Families

- In 1980, a typical family in Minnesota spent $1,920 on all its health care. By 1991, the same family spent more than $4,565, and, by the year 2000, it can expect to pay more than $9,860. This would be a 414 percent increase from 1980.

- During the last decade, the average Minnesota family's health payments rose 165 percent faster than its wages.

For Businesses

- In 1980, Minnesota businesses spent more than $1.6 billion on health care. By 1991, this number had increased by more than 200 percent to more than $5 billion. It is expected to reach more than $10 billion by the year 2000. This would be a 525 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 756,000 Minnesota residents (17 percent) will have no health insurance at some point during 1993.

Mississippi

Increasing Health Care Costs

For Families

- In 1992, an average family in Jackson with no employer-provided health insurance paid $4,623 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Mississippi family spent more than $1,300 on all its health care. In 1991, the same family spent more than $3,000 and, by the year 2000, it can expect to pay more than $6,585. This would be a 406 percent increase from 1980.

- During the last decade, the average Mississippi family's health payments rose 220 percent faster than its wages.

For Business

- In 1980, Mississippi businesses spent $455 million on health care. By 1991, this number had increased by more than 160 percent to more than $1.2 billion. It is expected to reach more than $2.7 billion by the year 2000. This would be 490 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 782,000 Mississippi residents (29.4 percent) will have no health insurance at some point during 1993.

Missouri

Increasing Health Care Costs

For Families

- In 1992, an average family in St. Louis with no employer-provided health insurance paid $3,163 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family spent $1,743 on all its health care. In 1991, the same family spent more than $4,360, and, by the year 2000, it can expect to pay more than $9,425. This would be a 441 percent increase from 1980.

- During the last decade, a typical Missouri family's health payments rose 233 percent faster than its wages.

For Business

- In 1980, Missouri businesses spent more than $1.6 billion on health care. By 1991, this number had increased by more than 215 percent to more than $5.1 billion. It is expected to reach more than $10.6 billion by the year 2000. This would be a greater than 560 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than one million Missouri residents (20.2 percent) will have no health insurance at some point during 1993.

Montana

Increasing Health Care Costs

For Families

- In 1992, an average family in Helena with no employer-provided health insurance paid $4,080 on an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Montana family spent $1,345 on all its health care. In 1991, the same family spent more than $3,154, and, by the year 2000, it can expect to more than $7,150. This would be a 432 percent increase from 1980.

- During the last decade, the average Montana family's health payments rose 382 percent faster than its wages.

For Business

- In 1980, Montana businesses spent more than $210 million for health care. By 1991, this number had increased by more than 280 percent to more than $600 million. It is expected to reach more than $1.2 billion by the year 2000. This would be a 470 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 237,000 Montana residents (28.7 percent) will have no health insurance at some point during 1993.

Nebraska

Increasing Health Care Costs

For Families

- In 1992, an average family in Omaha with no employer-provided health insurance paid $4,240 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in Nebraska spent $1,804 on all its health care. In 1991, the same family spent more than $4,265, and, by the year 2000, it can expect to pay more than $9,345. This would be a 418 percent increase from 1980.

- During the last decade, the average Nebraska family's health payments rose 243 percent faster than its wages.

For Businesses

- In 1980, Nebraska businesses spent more than $525 million for health care. By 1991 this number had increased by more than 185 percent to more than $1.5 billion. It is expected to reach more than $3 billion by the year 2000. This would be a 470 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 296,000 Nebraskans (17.9 percent) will have no health insurance at some point during 1993.

Nevada

Increasing Health Care Costs

For Families

- In 1992, an average family in Las Vegas with no employer-provided health insurance paid $6,996 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in Nevada spent $1,511 on all its health care. In 1991, the same family spent more than $3,895, and, by the year 2000, it can expect to pay more than $8,390. This would be a 456 percent increase from 1980.

- During the last decade, the average Nevada family's health payments rose 267 percent faster than its wages.

For Businesses

- In 1980, Nevada businesses spent more than $306 million on health care. By 1991 this number had increased by more than 325 percent to more than $1.3 billion. It is expected to reach more than $3.2 billion by the year 2000. This would be a 900 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 359,000 Nevada residents (30.2 percent) will have no health insurance at some point during 1993.

New Hampshire

Increasing Health Care Costs

For Families

- In 1980, a typical New Hampshire family spent $1,390 on all its health care. In 1991, the same family spent more than $3,860, and, by the year 2000, it can expect to pay $8,050. This would be a 479 percent increase from 1980.

- During the last decade, the average New Hampshire family's health payments rose 262 percent faster than its wages.

For Businesses

- In 1980, New Hampshire businesses spent more than $315 million on health care. By 1991 this number had increased by more than 280 percent to more than $1.2 billion. It is expected to reach more than $3.1 billion by the year 2000. This would be a 870 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 209,000 New Hampshire residents (18.7 percent) will have no health insurance at some point during 1993.

New Jersey

Increasing Health Care Costs

For Families

- In 1992, an average family in Trenton with no employer-provided health insurance paid $4,044 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical New Jersey family spent $1,940 on all its health care. In 1991, the same family spent more than $4,860, and, by the year 2000, it can expect to pay $10,740. This would be a 454 percent increase from 1980.

- During the last decade, the average New Jersey family's health payments rose 110 percent faster than its wages.

For Businesses

- In 1980, New Jersey businesses spent more than $2.6 billion on health care. By 1991, this number had increased by more than 225 percent to more than $8.7 billion. It is expected to reach more than $19 billion by the year 2000. This would be a 630 percent increase in health spending by businesses since 1980.

- In the last decade, New Jersey businesses witnessed a 225 percent increase in health payments while the Nation's businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- More than 1.2 million New Jersey residents (15.8 percent) will have no health insurance at some point during 1993.

New Mexico

Increasing Health Care Costs

For Families

- In 1992, an average family in Albuquerque paid $5,214 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical New Mexico family spent $1,209 on all its health care. In 1991, the same family spent more than $3,395, and, by the year 2000, it can expect to pay more than $7,100. This would be a 488 percent increase from 1980.

- During the last decade, the average New Mexico family's health payments rose 424 percent faster than its wages.

For Businesses

- In 1980, New Mexico businesses spent more than $329 million on health care. By 1991, this number had increase by more than 188 percent to more than $949 million. It is expected to reach more than $2.4 billion by the year 2000. This would be a 629 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 556,000 New Mexico residents (35.9 percent) will have no health insurance at some point during 1993.

New York

Increasing Health Care Costs

For Families

- In 1992, an average family in New York City with no employer-provided health insurance paid $4,777 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical New York family spent $2,159 on all its health care. In 1991, the same family spent more than $5,585, and, by the year 2000, it will spend more than $12,690. This would be a 488 percent increase from 1980.

- During the last decade, the average New York family's health payments rose 130 percent faster than its wages.

Businesses

- In 1980, New York businesses spent more than $6.7 billion on health care. By 1991, this number had increased by more than 200 percent to more than $20 billion. It is expected to reach more than $40 billion by the year 2000. This would be a 497 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 3.4 million New York residents (18.9 percent) will have no health insurance at some point during 1993.

North Carolina

Increasing Health Care Costs

For Families

- In 1992, an average family in Raleigh with no employer-provided health insurance paid $3,676 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in North Carolina spent more than $1,521 on all its health care. By 1991 the same family spent more than $3,630, and, by the year 2000, it can expect to pay more than $7,790. This would be a 413 percent increase from 1980.

- During the last decade, the average North Carolina family's health payments rose 153 percent faster than its wages.

For Businesses

- In 1980, North Carolina businesses spent more than $1.2 billion on health care. By 1991, this number had increased by more than 240 percent to more than $4.1 billion. It is expected to reach more than $9.3 billion by the year 2000. This would be a 675 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 1.5 million North Carolina residents (23.6 percent) will have no health insurance at some point during 1993.

North Dakota

Increasing Health Care Costs

For Families

- In 1992, an average family in Bismarck with no employer-provided health insurance paid $3,881 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in North Dakota spent $1,795 on all its health care. By 1991, the same family spent more than $4,190, and, by the year 2000, it can expect to pay $9,225. This would be a 414 percent increase from 1980.

- During the last decade, the average North Dakota family's health payments rose 379 percent faster than its wages.

For Businesses

- In 1980, North Dakota businesses spent more than $230 million on health care. By 1991, this number had increased by more than 175 percent to more than $640 million. It is expected to reach more than $1.2 billion by the year 2000. This would be a 420 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 112,000 North Dakota residents (17.2 percent) will have no health insurance at some point during 1993.

Ohio

Increasing Health Care Costs

For Families

- In 1992, an average family in Cincinnati with no employer-provided health insurance paid $3,984 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Ohio family spent $1,845 on all its health care. In 1991, the same family spent more than $4,770, and, by the year 2000, it can expect to pay more than $9,895. This would be a 437 percent increase from 1980.

- During the last decade, the average Ohio family's health payments rose 255 percent faster than its wages.

For Businesses

- In 1980, Ohio businesses spent more than $4.3 billion on health care. By 1991, this number had increased by more than 165 percent to more than $11.4 billion. It is expected to reach more than $22.2 billion by the year 2000. This would be a 416 percent increase in health spending by businesses since 1980.

How Many Without Care

- More than 1.9 million Ohio residents (17.4 percent) will have no health insurance at some point during 1993.

Oklahoma

Increasing Health Care Costs

For Families

- In 1992, an average family in Oklahoma City with no employer-provided health insurance paid $4,320 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in Oklahoma spent $1,614 on all its health care. In 1991, the same family spent more than $3,785, and, by the year 2000, it can expect to pay more than $8,360. This would be a 418 percent increase from 1980.

- During the last decade, the average Oklahoma family's health payments rose 332 percent faster than its wages.

For Businesses

- In 1980, Oklahoma businesses spent more than $700 million on health care. By 1991, this number had increased by more than 155 percent to more than $1.8 billion. It is expected to reach more than $3.9 billion by the year 2000. This would be a 457 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 930,000 Oklahoma residents (29.2 percent) will have no health insurance at some point during 1993.

Oregon

Increasing Health Care Costs

For Families

- In 1992, an average family in Portland with no employer-provided health insurance paid $3,864 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical family in Oregon spent more than $1,415 on all its health care. In 1991, the same family spent more than $3,900, and, by the year 2000, it can expect to pay more than $8,770. This would be a 519 percent increase from 1980.

- During the last decade, the average Oregon family's health payments rose 350 percent faster than its wages.

For Businesses

- In 1980, Oregon businesses spent more than $860 million on health care. By 1991, this number had increased by more than 200 percent to more than $2.6 billion. It is expected to reach more than $5.5 billion by the year 2000. This would be a 535 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 673,000 Oregon residents (22.9 percent) will have no health insurance at some point during 1993.

Pennsylvania

Increasing Health Care Costs

For Families

- In 1992, an average family in Philadelphia with no employer-provided health insurance paid $6,281 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Pennsylvania family spent more than $1,749 on all its health care. In 1991, the same family spent more than $4,300, and, by the year 2000, it can expect to pay $9,571. This would be a 447 percent increase from 1980.

- During the last decade, the average Pennsylvania family's health payments rose 192 percent faster than its wages.

For Businesses

- In 1980, Pennsylvania businesses spent $4.3 billion on health care. By 1991 this number had increased by 195 percent to more than $12.7 billion. It is expected to reach more than $24.5 billion by the year 2000. This would be a 470 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 1.9 million Pennsylvania residents (15.9 percent) will have no health insurance at some point during 1993.

Rhode Island

Increasing Health Care Costs

For Families

- In 1992, an average family in Providence with no employer-provided health insurance paid $4,422 for a health insurance plan, even if it was healthy.

- In 1980, the average Rhode Island family spent $1,900 on all its health care. In 1991, the same family spent $4,914, and, if present trends continue, it paid $10,862 by the year 2000. This would be a 472 percent increase from 1980.

- During the last decade, the average Rhode Island family's health payments rose 145 percent faster than its wages.

For Businesses

- In 1980, Rhode Island businesses spent $385 million on health care. By 1991, this number had increased by more than 185 percent to more than $1.1 billion. It is expected to reach more than $2.4 billion by the year 2000. This would be a 520 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 173,000 Rhode Island residents (17.6 percent) will have no health insurance at some point during 1993.

South Carolina

Increasing Health Care Costs

For Families

- In 1992, an average family in Columbia with no employer-provided health insurance paid $4,267 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical South Carolina family spent $1,376 on all its health care. In 1991, the same family spent more than $3,414, and, by the year 2000, it can expect to pay $7,747. This would be a 443 percent increase from 1980.

- During the last decade, the average South Carolina family's health payments rose 228 percent faster than its wages.

For Businesses

- In 1980, South Carolina businesses spent more than $550 million on health care. By 1991, this number had increased by more than 225 percent to more than $1.8 billion. It is expected to reach more than $4.1 billion by the year 2000. This would be a 645 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 826,000 South Carolina residents (23.5 percent) will have no health insurance at some point during 1993.

South Dakota

Increasing Health Care Costs

For Families

- In 1992, an average family in Sioux Falls paid $4,066 for an individually purchased health insurance plan, even if it was healthy.
- In 1980, a typical South Dakota family spent $1,632 on all its health care. In 1991, the same family spent more than $3,863, and, by the year 2000, it can expect to pay $8,365. This would be a 413 percent increase from 1980.
- During the last decade, the average South Dakota family's health payments rose 281 percent faster than its wages.

For Businesses

- In 1980, South Dakota businesses spent more than $190 million on health care. By 1991, this number had increased by more than 200 percent to more than $596 million. It is expected to reach more than $1.8 billion by the year 2000. This would be a 515 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 145,000 South Dakota residents (20.3 percent) will have no health insurance at some point during 1993.

Tennessee

Increasing Health Care Costs

For Families

- In 1980, a typical Tennessee family spent $1,473 on all its health care. By 1991, the same family spent more than $3,487, and, by the year 2000, it can expect to pay $7,401. This would be a 402 percent increase from 1980.

- During the last decade, the average Tennessee family's health payments rose 174 percent faster than its wages.

For Businesses

- In 1980, Tennessee businesses spent more than $1.45 billion on health care. By 1991, this number had increased by more than 215 percent to more than $4.4 billion. It is expected to reach more than $10 billion by the year 2000. This would be a 615 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 1.1 million Tennessee residents (22.6 percent) will have no health insurance at some point during 1993.

Texas

Increasing Health Care Costs

For Families

- In 1980, a typical family in Texas spent $1,794 on all its health care. In 1991, the same family spent $4,095, and, by the year 2000, it can expect to pay $8,789. This would be a 390 percent increase in health spending since 1980.

- During the last decade, the average Texas family's health payments rose 220 percent faster than its wages.

- During the last decade, inflation-adjusted medical care costs increased by 81 percent between 1980 and 1990 in Texas and are expected to double in the next five years.

For Businesses

- In 1980, Texas businesses spent more than $3.8 billion on health care. By 1991 this number had increased by more than 230 percent to over $12.6 billion. It is expected to reach over $29 billion by the year 2000. This would be a 684 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 5.5 million Texas residents (32.7 percent) will have no health insurance at some point during 1993.

Utah

Increasing Health Care Costs

For Families

- In 1980, a typical family in Utah spent $1,441 on all its health care. In 1991, the same family spent more than $3,680, and, by the year 2000, it can expect to pay $8,184. This would be a 468 percent increase from 1980.

- During the last decade, the average Utah family's health payments rose 370 percent faster than its wages.

For Businesses

- In 1980, Utah businesses spent more than $324 million on health care. By 1991 this number had increased by more than 270 percent to more than $1.2 billion. It is expected to reach more than $2.8 billion by the year 2000. This would be a 765 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 433,000 Utah residents (25.1 percent) will have no health insurance at some point during 1993.

Vermont

Increasing Health Care Costs

For Families

- In 1980, a typical Vermont family spent $1,329 on all its health care. In 1991, the same family spent more than $3,649, and, by the year 2000, it can expect to pay more than $7,970. This would be a 500 percent increase from 1980.

- During the last decade, the average Vermont family's health payments rose 200 percent faster than its wages.

For Business

- In 1980, Vermont businesses spent more than $135 million on health care. By 1991 this number had increased by more than 255 percent to more than $483 million. It is expected to reach more than $1 billion by the year 2000. This would be an 635 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 110,000 Vermont residents (19.5 percent) will have no health insurance at some point during 1993.

Virginia

Increasing Health Care Costs

For Families

- In 1992, an average family in Richmond with no employer-provided health insurance paid $5,004 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Virginia family spent $1,665 on all its health care. In 1991, the same family spent more than $4,358, and, by the year 2000, it can expect to pay $9,631. This would be a 478 percent increase from 1980.

- During the last decade, the average Virginia family's health payments rose 184 percent faster than its wages.

For Businesses

- In 1980, Virginia businesses spent $1.175 billion on health care. By 199, this number had increased by more than 233 percent to more than $4 billion. It is expected to reach more than $8.9 billion by the year 2000. This would be a 640 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than 1.4 million Virginians (22.6 percent) will have no health insurance at some point during 1993.

Washington

Increasing Health Care Costs

For Families

- In 1992, an average family in Seattle with no employer-provided health insurance paid $3,028 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Washington family spent $1,489 on all its health care. In 1991, the same family spent more than $3,710, and, by the year 2000, it can expect to pay $8,361. This would be a 462 percent increase from 1980.

- During the last decade, the average Washington family's health payments rose 352 percent faster than its wages.

For Businesses

- In 1980, Washington businesses spent more than $1.3 billion on health care. By 1991, this number had increased by more than 250 percent to more than $4.6 billion. It is expected to reach more than $9.9 billion by the year 2000. This would be a 660 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- More than one million Washington residents (21.1 percent) will have no health insurance at some point during 1993.

West Virginia

Increasing Health Care Costs

For Families

- In 1980, a typical West Virginia family spent $1,592 on all its health care. In 1991, the same family spent more than $3,443, and, by the year 2000, it can expect to pay $7,706. This would be a 384 percent increase from 1980.

- During the last decade, the average West Virginia family's health payments rose 263 percent faster than its wages.

For Businesses

- In 1980, West Virginia businesses spent more than $455 million on health care. By 1991 this number had increased by more than 180 percent to more than $1.3 billion. It is expected to reach more than $2.4 billion by the year 2000. This would be a 425 percent increase in health spending by businesses since 1980.

- In the last decade, West Virginia businesses witnessed a 180 percent increase in health payments while the Nation's businesses saw corporate profits rise just 130 percent.

How Many Without Coverage

- 448,000 West Virginia residents (23.9 percent) will have no health insurance at some point during 1993.

Wisconsin

Increasing Health Care Costs

For Families

- In 1992, an average family in Milwaukee with no employer-provided health insurance paid $3,293 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Wisconsin family spent $1,801 on all its health care. In 1991, the same family spent more than $4,245, and, by the year 2000, it can expect to pay $9,337. This would be a 419 percent increase from 1980.

- During the last decade, the average Wisconsin family's health payments rose 216 percent faster than its wages.

For Businesses

- In 1980, Wisconsin businesses spent more than $1.76 billion on health care. By 1991, this number had increased by more than 180 percent to more than $5 billion. It is expected to reach more than $9.7 billion by the year 2000. This would be a 450 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 752,000 Wisconsin residents (15.4 percent) will have no health insurance at some point during 1993.

Wyoming

Increasing Health Care Costs

For Families

- In 1992, an average family in Casper with no employer-provided health insurance paid $3,840 for an individually purchased health insurance plan, even if it was healthy.

- In 1980, a typical Wyoming family spent $1,385 on all its health care. In 1991, the same family spent more than $3,474, and, by the year 2000, it can expect to pay $7,945. This would be a 474 percent increase from 1980.

For Businesses

- In 1980, Wyoming businesses spent more than $119 million on health care. By 1991, this number had increased by more than 190 percent to more than $340 million. It is expected to reach more than $700 million by the year 2000. This would be a 488 percent increase in health spending by businesses since 1980.

How Many Without Coverage

- 116,000 Wyoming residents (24.7 percent) will have no health insurance at some point during 1993.

End Notes

[1] The *Washington Post*, 1/26/93.

[2] "Half of US Families Priced Out of Health Protection," Families USA Report, April 1993.

[3] Foster Higgins Survey, 1991.

[4] Henry J. Kaiser Family Foundation/Louis Harris and Associates survey, Oct. 2-4, 1992.

[5] CBO study "Economic Implications of Rising Health Care Costs", Oct. 1992

[6] *Washington Post*/ABC News poll, Dec. 1991.

[7] Hay/Huggins Benefits Report, 1992.

[8] "Health Care Crisis: Human Impact of Insurance Company Abuse," hearing of Senate Labor and Human Resources Committee, June 24, 1992.

[9] Prospective Payment Assessment Commission Report, Dec. 1991.

[10] Families USA. Figures are in nominal dollars.

[11] Families USA Report, April 1993.

[12] Congressional Budget Office.

[13] Congressional Budget Office.

[14] National Income and Product Accounts; Joint Economic Committee (current dollars).

[15] Senate Labor and Human Resources Committee.

April 23, 1993

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: Kim Tilley
SUBJECT: Briefings for Saturday, April 24th

Attached is the following information for tomorrow:

Logistical Briefing
- Attending Democratic Senators and Spouses List
- Conference Itinerary

Memo from Chris Jennings

Profiles - Senate Democrats
- Target List

Health Costs Without Reform

Briefing for the President
- Talking Points for Senate Dinner
- Issue Concerns of Senators

April 23, 1993

DEMOCRATIC SENATORS CONFERENCE

DATE: April 24, 1993
LOCATION: Jamestown, VA
TIME: 9:30 a.m.
FROM: Kim Tilley

I. PURPOSE

To share information on the health care reform package and to convince the Democratic Senators of the Administration's seriousness in passing legislation this year.

II. BACKGROUND

As can be seen on the following list, many of the Senators have brought their spouses and a few have brought their chidren.

The relaxed atmosphere should allow more opportunity for a productive exchange with the Senators. This will be your first chance you've had to meet with many of these Senators.

III. PARTICIPANTS

Democratic Senators (See attached list.)
Judy Feder
Ira Magaziner
Melanne Verveer
Chris Jennings

IV. PRESS PLAN

Closed.

V. SEQUENCE OF EVENTS

o Senator Mitchell introduces HRC;
o HRC remarks - length as necessary;
o Ira and Judy remarks;
o Q&A - HRC, Ira, Judy w/ Members

IV. REMARKS

See following memo.

List of Senate Attendees

Senator and Mrs. Daniel Akaka (Millie)	
Senator and Mrs. Max Baucus (Wanda)	
Senator and Mrs. Jeff Bingaman (Anne)	John (13)
Senator Barbara Boxer and Stewart Boxer	
Senator Bill Bradley	
Senator and Mrs. John Breaux (Lois)	
Senator Dale Bumpers	
Senator and Mrs. Kent Conrad (Lucy)	
Senator and Mrs. Tom Daschle (Linda)	
Senator Dennis DeConcini	
Senator Christopher Dodd	
Senator and Mrs. Byron Dorgan (Kim)	Brendan (5) and Haley (3)
Senator Jim Exon	
Senator Russell Feingold	
Senator Wendell Ford	
Senator and Mrs. John Glenn (Annie)	
Senator Bob Graham	
Senator and Mrs. Tom Harkin (Ruth)	
Senator and Mrs. Howell Heflin (Elizabeth Ann)	
Senator and Mrs. Fritz Hollings (Peatsy)	
Senator and Mrs. Bennett Johnston (Mary)	
Senator Edward Kennedy	
Senator Robert Kerrey	
Senator John Kerry	
Senator Frank Lautenberg and Bonnie Englebart	
Senator and Mrs. Patrick Leahy (Marcelle)	
Senator and Mrs. Carl Levin (Barbara)	
Senator and Mrs. Joseph Lieberman (Hadassah)	Hannah (5) and au pair
Senator and Mrs. Harlan Mathews (Patsy)	
Senator and Mrs. Howard Metzenbaum (Shirley)	
Senator Barbara Mikulski	
Senator George Mitchell	
Senator Carol Moseley-Braun	
Senator Patrick Moynihan	
Senator Patty Murray and Rob Murray	Randy (16) and Sarah (13)
Senator Sam Nunn	
Senator Claiborne Pell	
Senator David Pryor	
Senaotr and Mrs. Harry Reid (Landra)	
Senator and Mrs. Don Riegle (Lori)	Ashley (8) and Allison (1) and au pair
Senator and Mrs. Charles Robb (Lynda)	
Senator Jay Rockefeller	
Senator and Mrs. Paul Sarbanes (Christine)	
Senator and Mrs. Paul Simon (Jeanne)	
Senator and Mrs. Paul Wellstone (Sheila)	
Senator and Mrs. Harris Wofford (Clare)	

Democratic Conference Schedule
Friday, April 23, 1993

9:00 a.m.	Bus departs Fort Myer Memorial Chapel for Jamestown Box breakfast and coffee to be served	
11:30 a.m.	Conference registration	**Lobby**
11:45 a.m. - 1:00 p.m.	Luncheon buffet	**Plantation**
1:00 - 2:30 p.m.	**Panel 1: State of the Nation/Mood of the Electorate** • Sen. Bob Graham Moderator • Stan Greenberg, President Greenberg Research • Mandy Grunwald, Partner Grunwald, Eskew and Donilon • Bob Shrum, Founding Partner Doak, Shrum, Harris, Carrier, Devine	**Tazewell**
2:30 p.m.	Break	
2:45 - 4:45 p.m.	**Panel 2: The Administration's Economic Policy** • Sen. Wendell Ford Moderator • Hon. Robert B. Reich Secretary of Labor • Hon. Robert E. Rubin Assistant to the President for Economic Policy • Dr. Laura D'Andrea Tyson Chair, Council of Economic Advisors	**Tazewell**
4:45 - 6:00 p.m.	Free time	
6:00 - 7:00 p.m.	Reception	**Moody's Tavern**
7:00 - 9:00 p.m.	**Dinner/Speaker** • Introduced by Sen. Barbara Mikulski • Hon. Madeleine K. Albright U.S. Ambassador to the United Nations	**Plantation**

Democratic Conference Schedule
Saturday, April 24, 1993

7:00 - 9:00 a.m.	**Breakfast**	**Burwell**
9:00 - 11:00 a.m.	**Panel 3: Health Care Policy**	**Tazewell**
	Presentation of Policy Options • Senator George J. Mitchell Moderator • First Lady Hillary Rodham Clinton, Chair Health Care Task Force • Hon. Ira Magaziner Senior Advisor to the President for Policy Development • Hon. Judy Feder Deputy Assistant Secretary for Planning and Evaluation, Department of Health and Human Services	
11:00 - 11:15 a.m.	Break	
11:15 a.m. - 12:00 Noon	**Communication Strategies for Health Care** • Sen. Tom Daschle Moderator • Arnold Bennett, Media Director Families USA	**Tazewell**
12:00 - 2:00 p.m.	**Luncheon/Speaker** • Introduced by Sen. Claiborne Pell • Hon. Strobe Talbott Ambassador at Large and Special Advisor to the Secretary of State on the Newly Independent States	**Plantation**
2:00 - 6:45 p.m.	Free time	
7:00 - 8:00 p.m.	Reception	**Plantation Deck**
8:00 p.m.	**Dinner** President Clinton and Vice President Gore	**Plantation/Burwell**

Democratic Conference Schedule
Sunday, April 25, 1993

7:00 - 9:00 a.m.	Breakfast	**Burwell**
10:00 a.m.	Have bags ready for pickup in room (bus riders only)	
9:00 - 11:00 a.m.	Church (on your own)	
11:00 a.m. - 12:30 p.m.	Lunch with Senator Mitchell	**Riverview/Golf Club**
	• Private session for Members and spouses only	
12:30 p.m.	Depart Conference Center	
3:00 p.m.	Arrival at Fort Myer Memorial Chapel	

MEMO

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: ABB DATE: 1/14/14

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Senate Retreat
cc: Melanne, Steve, Distribution

April 22, 1993

It is not an overstatement to say that this Saturday's Senate retreat represents an extremely important opportunity to convince a generally skeptical group of Senators that passing health care reform this year is not only achievable, but desirable. The best way to accomplish this goal is to clearly illustrate that it is in the nation's economic interest to pass reform and, more importantly, it is politically attractive and necessary to do so.

Consultations with the Senate Democratic Policy Committee (DPC), Members and their staff, as well as the political (Steve) and communications staff within the White House, have produced a virtual consensus that the best presentation you can make is more inspirational than it is substantive. Your presentation will probably be most effective if it addresses Members' gut concerns, rather than their generally limited policy interests.

In effect, you need to set the stage for the Senators to be willing and interested in giving fair and full consideration to Ira's and Judy's presentation that will immediately follow yours. Based on our recent discussions, we have concluded that it would appear to be advisable for you to consider touching on the following points in your presentation:

* **Economic and Political Benefits of Passing Reform.**
  POSSIBLE DISCUSSION: The status quo will bankrupt our people, our businesses, and the Government. Our constituents desperately want reform. Not acting on a need so great will blow an opportunity to deliver on their desire for us to help provide health care security. (This would be a great spot to discuss what you have seen and heard in your travels around the country).

* **Pride in the Policy Development Process.**
POSSIBLE DISCUSSION: (Mrs. Clinton: There have been so many criticisms of the process that we think you might want to take this opportunity to briefly -- and with light humor -- address this issue). A few specific suggestions:

-- Critics Charge We Have a Closed Process.
POSSIBLE DISCUSSION: The truth and irony is that our process may well be the most open in the history of the Federal Government. How can anyone seriously argue that 500 people, made up of over 100 Congressional staff members, well over 50 physicians, numerous other health care professionals (including nurses, social workers, pharmacists, and many others), and representatives from virtually every Department within the Administration is a closed process? This OPEN, albeit unwieldy, process has yielded some of the best work that has ever been produced by the Federal Government. I am particularly proud and appreciative of the Congressional involvement of you and your staffs. In fact, at least 24 of the Members represented today graciously have lent their talented staff to this work effort.

-- Critics Charge Outside Interests Have Been Shut-Out.
POSSIBLE DISCUSSION: If these criticisms were not taken so seriously, they would be humorous. The fact of the matter is that we have held meetings with well over 500 different organizations in just the last 2 months.

-- Critics Charge We are Moving Too Fast.
POSSIBLE DISCUSSION: If we are going to pass a bill this year, we must move quickly enough to get a bill up to the Congress in time for action. We will not sacrifice the quality of our work, but deadlines are forcing us to produce the information we need to make sound and timely policy recommendations to the President.

* **The Numbers Must Be Accurate.**
POSSIBLE DISCUSSION: The detailed process we have undertaken is producing some of the most solid health care numbers ever produced. This is essential because we all know that the numbers drive much of the debate and that their accuracy is essential to making informed decisions. We are determined to assure that any policy decisions you or we make are not undermined by last second re-estimates. Although we have made great progress in obtaining accurate numbers, we still are not yet where we want them to be. You can be assured, however, that we will share them with you as soon as they are.

What we do know is this: Americans spend an enormous amount of money on health care today. As the attached chart documents, taxpayers are not only paying

significant private premiums, but they are also underwriting enormous public health costs.

* **Members Must Be Comfortable With, and Have Contributed to, the Policy.**
POSSIBLE DISCUSSION: Many of you have spent years discussing this issue. Some of you -- like me -- have only recently begun to focus on this issue. All of you have priorities and concerns that we are beginning to know and need to know more about. All of you can make contributions to our decisions that will make the President's proposal stronger. We want to build on the discussions we have date and begin intensive consultations with you. We will be setting up the best way to achieve this though Senator Mitchell, but we are committed to hearing and learning from you.

* **The Policy and the Message About the Policy Must Be Simple.**
POSSIBLE DISCUSSION: As we are developing the policy, we are well aware -- thanks to many excellent suggestions made by many of you -- that we must strive to make both the new system and a way to explain it very simple. We must, for example, develop the best ways to discuss and illustrate what we are already paying for health care, so that everyone focuses on system-wide costs and savings, and not just Federal budget impacts.

As we are doing this, we and all Democrats must be able to highlight the proposal in 30-60 second sound-bites, and be able to explain and defend it to constituents in 5 minute presentations. We are spending a great deal of time and resources in studying how best to do this. With the benefit of your own experience and the work we are doing in this area, we are confident that we will achieve the goal of simplicity and comfort with the plan and its description.

* **Health Care Reform is Important to Achieve <u>This Year</u>.**
POSSIBLE DISCUSSION: We know this task will be difficult, and we know the Senate has a great deal of work to do in a relatively short period of time. We believe, though, that working in close consultation with the Leadership, Chairmen and all other Members, we can and we will get the job done.

* **Health Care: A Promising Opportunity, Not a Political Burden.**
POSSIBLE DISCUSSION: Mrs. Clinton: This could be the conclusion of your remarks. You may want to discuss how many of these Members have been around for years, if not decades, and have become increasingly frustrated about how little progress has been made on this and many other important issues. If we pass health care reform, we may be able to break this cycle and finally begin to address the needs and desires of their constituents. (We want Senators to start to feel like they want to do health care reform -- not out of any obligation to the

President, you, or anyone else -- but because they believe it is in their constituents and their own interest to do so).

CONCLUSION

Following your presentation, Ira and Judy will provide a broad and brief description of the direction the President and you are headed, emphasizing how the plan would address the system's current problems/shortcomings. (A copy of the slides that they will use in their discussion is attached).

After Ira and Judy speak, the DPC is hoping there will be ample time remaining for you, Ira and Judy to field questions and suggestions from the Senators. (It would, therefore, appear to make sense that you stay up front with Ira and Judy as they are making their presentation).

Finally, also attached for your use, is a health care summary of each of the Democrats who are scheduled to be in attendance. Also enclosed is a list of ten Senators who we believe it would be particularly helpful you attempt to "buttonhole" if you get any opportunity to do so.

PROFILES - SENATE DEMOCRATS

SEN. DANIEL AKAKA (D-HI) - State Flexibility is of primary importance to Senator Akaka. He will want a waiver to allow Hawaii to continue its present system. He is a co-sponsor of Health America.

Recent Developments: Hawaii is moving to press the House and Senate Committees to obtain an ERISA waiver as soon as possible even if that means before health reform is passed. It is possible he may raise this issue with you. He has also asked that a staff person who specializes in mental health serve on the working group addressing that issue.

SEN. MAX BAUCUS (D-MT) - Senator Baucus was a member of the Pepper Commission. Most notably, however, he voted against the final access recommendations (they won by just an 8-7 vote), primarily because of his concern about the proposal's impact on small business. Baucus is concerned about any proposal that utilizes any employer requirement to help finance health care. As a result of this concern, and because the Canadian system is quite popular in Montana, he is a single-payer advocate.

He is a member of a 5-Member working group (Daschle, Kerrey, Bingaman, and Wofford) that is looking at alternatives to employer-based models. This group wrote to you on February 3rd on principles which should be incorporated into a managed competition framework including universal participation (no opt-outs), state or regional administration, and phase-in of coverage for long-term care. More recently, on March 30th, he sent a letter with 8 Democratic Senators from rural states expressing their belief that the allocation of health budgets among states should not be based on historical costs but on the true cost of providing appropriate level of care to a state's residents.

Senator Baucus believes health reform must include real cost containment, sensitivity to legitimate small business concerns, and the advisability of a special consideration for rural concerns. We have been advised by staff that he is very committed to the concept of every citizen being the HPIC or health alliance. In addition, he apparently would be supportive of a VAT tax for health care.

Recent Developments: At a the April 20th meeting with Fiance Committee members, Sen. Baucus stressed the need for the plan to contain costs with some sort of global budget. He shared the view of other committee members that you should take longer if

necessary, but make sure it is done right.

SEN. JEFF BINGAMAN (D-NM) - Senator Jeff Bingaman joined Senate Labor and Human Resources committee in May of 1990. While he does not have a long record on the issue of health care reform, he has been exhibiting increasing interest in the subject. He supports the managed competition model's focus on market adjustment of health care costs but has also supported an eventual cap on health care spending. He has cosponsored legislation with Senator Durenberger to implement the Jackson Hole group recommendations (a managed competition model which rejects global budgets). However, in hearings last December of the Labor Committee, Bingaman expresses strong support for the idea of a **global budget** to "limit the amount of revenue going into the system, limit the amount of premiums that people can pay into the HPICs." He is a strong advocate of rural health and prevention. He has expressed concern about the effects that employer-based health care reform could have on small businesses.

Recent Developments: Reportedly, Sen. Bingaman was unhappy over our language change from "HIPC" to "Alliance." Bingaman feels that "cooperatives" are rural friendly.

SEN. BARBARA BOXER (D-CA) - As a new member of the Senate, Boxer is very interested in working with the leadership. While in the House, she co-sponsored the Russo single payer bill (predecessor to the current McDermott Bill) but was not an enthusiast. She is particularly interested in issues concerning women and children. Senator Boxer is believes that health care reform should cover reproductive services, including abortion services.

Senator Boxer outlined her basic approach to health care reform in a letter to the First Lady on February 5th. In the letter, the Senator emphasized the following principles: care should be affordable and universal; benefits should not only be employment based; and coverage should include professionals other than doctors. To achieve these goals, the Senator called for a minimum benefits package, increased preventative care, the coverage of reproductive services, increased public health education, services for women in crisis, and services for children. Finally, the Senator called for "full representation" for women on any boards, advisory committees or any other bodies created by health reform legislation.

In meetings with the HCTF, she has also expressed concerns over how the veterans health system will be integrated into the plan.
Recent Developments: She has strongly urged that abortion services be covered up front in the benefit package and protected from any hostile amendment on the Senate Floor. She feels so strongly about this that we are concerned that she may raise this issue in Saturday's Question and Answer Session.

SEN. BILL BRADLEY (D-NJ) - Senator Bradley is known more for his work on tax policy than for his work on health care financing. He has indicated an interest in introducing health care reform legislation similar to managed competition model that he believes the President has been advocating. The one exception to his general support of the Clinton health
care approach may well be with regard to prescription drugs. As a Senator representing the state which is the capital of the pharmaceutical industry, Bradley is a fierce advocate for the industry and their concerns. With Senator Hatch, he led the fight against Senator Pryor's effort to influence the industry to contain price increases to inflation by linking their pricing behavior to eligibility for tax credits. (The Pryor proposal was endorsed by President Clinton in the campaign).

As a member of the Infant Mortality Commission, Senator Bradley is proud of his work to ensure that the Medicaid program was expanded to eventually cover pregnant women and kids. He also is a strong advocate for preventative care services. He has sponsored several bills on tobacco, including revised warning labels and tobacco as a drug to be included in the Drug Free Schools program. Lastly, although he incurred the wrath of some aging groups with his opposition to prescription drug price constraint, he has been a long-time supporter of home and community-based long term care services, particularly with regard to respite care services.

Recent Developments: At this week's Finance Committee meeting, Sen Bradley asked for an estimate of how much the plan is going to cost, and how much revenue is expected to be needed. He is very concerned about taxes.

SEN. JOHN BREAUX (D-LA) - Senator Breaux is the second most junior Member of the Finance Committee. He is one of those "up and coming" New Democrats for whom many see a bright future. His politics are moderate to conservative but he is known more as a pragmatist than a idealogue. In the area of health care, Breaux is yet another of the Committee members who care deeply about small businesses and rural health care.

Previous to this year, Senator Breaux was not overly active in health care issues. That changed when he introduced the Conservative Democratic Forum's managed competition bill with Senator Boren in 1992. He is very concerned, however, about the bill's limitations with regard to assuring adequate access to health care in rural areas. He is also concerned about whether this approach will actually achieve broad-based costs savings. Despite this, he remains uncomfortable with alternative approaches and he will want to make sure that the Conservative Democratic Forum's model is used as much as possible during the upcoming debate. He opposes price caps and freezes to control costs.

Recent Developments: At the Finance Committee meeting Sen. Breaux stated that he

was very encouraged about what he was hearing. He believes people want health care reform but it will be important to sell the benefits first (and sell people on what they are getting). He wants the plan to be bipartisan and thinks it should contain malpractice reform.

SEN. DALE BUMPERS (D-AR) - Bumpers has waited to see what the White House will do and has resisted efforts to be pushed into Daschle's camp. As Chairman of the Small Business Committee, he may have particular sensitivity to the needs of small business. As you know, he has great concern about children's issues. He therefore can be expected to support coverage of children be phased-in first if such a phase-in is necessary.

SEN. KENT CONRAD (D-ND) - Kent Conrad is the newest member of the Senate Finance Committee. Senator Conrad is known as a "budget hawk." Strong cost controls will be critical for his support. He will look closely at the financing package and how the reform plan impacts the federal deficit. He opposes large new taxes to support reform.

Senator Conrad's foremost health concern is rural health care. He is concerned both with how rural health care will be addressed in the context of managed competition as well as current access and delivery issues. He is aware of successful models from his state -- one a network of clinics, the other an HMO -- which have been able to increase access to primary and preventive care. He signed the March 30th letter opposing the allocation of the global budget among states based on historic costs. He is also an advocate for the need to improve and increase funding for the Indian Health Services. Insufficient funding has led to rationing of services. He also feels the IHS has not been sufficiently responsive to Congress or tribal leadership.

Recently, Chris Jennings and Christine Heenan gave him a general health care background briefing. (He had missed one given by Ira and wanted a private meeting). He was very appreciative and appeared to feel much better about the direction the President and you are heading by the conclusion of the discussion.

Recent Developments: At the Finance Meeting this week Sen. Conrad was very concerned about mandates. He fears that small businesses will be saddled with too much.

SEN. TOM DASCHLE (D-SD) - Senator Daschle is the Co-Chair of the Democratic Policy Committee (with Majority Leader Mitchell) and he is one of the more well informed Democratic Members on health care issues. Senator Daschle and his staff are participating in Senator Mitchell's DPC working group, but he has also been a leader of a separate working group (Kerrey, Bingaman, Wofford, and Baucus) that was developing alternative approaches to health reform. This group has been relatively quiet lately,

seeming to be comfortable with working with and through the DPC health policy group.

Personally, Daschle is much more comfortable with a single-payer type approach to health care, primarily because he believes it is a much easier political sell to his small business folks and the rest of his constituents. He joined Senator Harris Wofford in introducing legislation (S.2513) to achieve this end. Daschle is a team player, however. As part of the Senate leadership, he can be counted on to push his agenda as far as it can go, but he will also do everything he can to assure that we pass comprehensive reform and the President's plan.

In addition, Senator Daschle is one of the signatories of a March 30th letter opposing the allocation of the global budget among states based on historic costs. He is very concerned that rural states would be discriminated against using such a formula.

Senator Daschle also worries that people don't understand the real costs of the current health system and how they are paying too much in direct and indirect spending. He feels that education regarding these costs are critical so that people don't feel the new system will cost them too much money. Lastly, Senator Daschle also supports restructuring graduate medical education to emphasize primary care.

Most recently, Senator Daschle has requested that you join him in South Dakota at some health care event at some point in the future. We are trying to be responsive to a request by him to get someone from with working groups to go to an early May event that he is holding.

Recent Developments: At the meeting with the Finance Committee members this week he again expressed his belief that we need to use new language in describing the plan for example using "system-wide" rather than "Federal program". Changing the language will change people's perception.

SEN. DENNIS DECONCINI (D-AZ) - DeConcini, who is up for re-election in 1994 and recently separated from his wife, is opposed to new taxes paying for the health care package. While he is willing to work with the concept of managed competition, he wants to preserve some of the current system. He is particularly concerned about the effects on small business and incentives for doctors to treat Medicaid patients. While he has not raised it so far, he will presumably also be worried about undocumented workers and Native Americans.

SEN. BYRON DORGAN (D-ND)) - He can be expected to back the package as long as careful attention is really given to the problems of rural areas. In addition to rural health care, his major concern is cost containment. He can also be expected watch out for coverage for Native Americans.

SEN. JAMES EXON (D-NE) - While Exon has put forth a wait-and-see attitude, he advocated "doing it this year" to Ira on March 4. He consults closely with Frank Barrett, chair of the Governor of Nebraska's Blue Ribbon Panel on Health Care. His Nebraska colleague, Sen. Kerrey can influence him but Kerrey's support for the plan will not guarantee Exon's support.

SEN. RUSSELL FEINGOLD (D-WI) - A freshman Senator, Feingold has also adopted a wait-and-see attitude but is likely to support the President. In meetings with the HCTF he has discussed the need for long term health care, particularly home and community based care for the elderly and the disabled. He is also concerned abut coverage for farmers. At the state level he was a sponsor of single-payer legislation in Wisconsin.

SEN. WENDELL FORD (D-KY) - The Chairman of the Rules Committee will want to support the President. During his reelection campaign this year he talked about wanting to work with a president who would sign health care legislation passed by the Congress, but he is also a fierce protector of the interests of his state. As he says, "if it's not good for Kentucky, I'm not for it." As a result Ford can be expected to fight a tobacco tax. He is also nervous about mandated benefits and wants freedom of choice for consumers. He also has a personal interest in health care since his brother-in-law is a pediatrician in Kentucky. However, he has also stated that he believes physicians are overpaid.

SEN. JOHN GLENN (D-OH) - Glenn has held hearings into the German and French systems as models for health reform. He supported pay or play but not the Leadership's HealthAmerica bill. His concerns include the impact of reform on small business, retiree health benefits, and potential changes to Medicare and Medicaid.

In a previous meeting with the DPC he questioned where the savings would come from in the new system. He thinks that doctors have been unfairly vilified in debates over health care costs. He says that their income accounts for less than one-fifth of health care spending. He is more intrigued by the large percentage of lifetime health care costs which occur during the last four months of life as an area for health savings.

As chairman of the Government Affairs Committee, he is likely to be interested in and actively involved with any proposal that would fold the FEHBP program into the new system. Since advocates for federal employees are now strongly advocating that they should be treated the same as large employers, they are likely to express serious reservations about the currently envisioned program. It is therefore advisable to meet with Chairman Glenn and other Chairmen of jurisdiction before any decision is made public.

SEN. BOB GRAHAM (D-FL) - Graham wants to support the President and not surprisingly is most concerned abut long term care being included in the final package. With Florida recently enacting health care legislation, he may be sensitive about state flexibility. He is okay on employer mandates and wants to be a player on global budgets. However, he would be concerned if Florida was somehow adversely affected in comparison to other states. His staff is working on the White House long term care working group. In previous meetings with the HCTF, he was worried about the role of the Public Health System.

SEN. TOM HARKIN (D-IA) - Senator Harkin has not sponsored any reform legislation or backed any particular reform approach. He has focused instead on specific issues that will need to be components of an overall plan. He has a strong interest in all rural issues. He was recently named Co-Chair of the Senate Rural Health Care Coalition. He is a leading advocate in the Senate for anything related to people with disabilities. (He has a brother who is deaf.) His sponsorship of the Americans with Disabilities Act is perhaps the major achievement of his political career. Ensuring that the plan provides access to health care including long-term care for people with disabilities is a major concern.

He is especially interested in prevention, sponsored a bill giving money to states for preventive health programs. As a member of the Senate Labor committee and Chairman of the Appropriations Subcommittee on Human Resources he is a key player on public health legislation and funding. Inclusion of preventive services in benefit package will be key. Harkin opposes co-pays for these services.

SEN. HOWELL HEFLIN (D-AL) - Heflin has been noncommittal, preferring to wait for the plan and concrete numbers on how and where the money is spent before taking a position. On the other hand, he appears to be open to the concept of reform but will need education on the issue.

SEN. ERNEST HOLLINGS (D-SC) - While Hollings wants to support the President's plan, he is worried about the following items: employer mandates without cost controls; rural coverage; and by the CBO testimony when cost savings might be realized under a managed competition plan. He steered clear of the leadership bill, expressing interest instead for a Medicaid buy-in. He believes the only way to get enough money for health reform is through a VAT. In meetings with Ira he has stated his hope that the money will be in hand when the bill is ready and his support for a single vote on the package.

SEN. BENNETT JOHNSTON (D-LA) - Sen. Johnston has been noncommittal on health reform but wants to be a constructive player. He may defer to his Louisianan colleague Sen. Breaux who has shown increasing interest in health care reform, since they share concerns on its impact on small business and rural areas. His major concern is

preventive care and he will be willing to compromise on other issues if it is made a high priority in the package. While he is not opposed to managed competition he sees problems with regional pricing. In discussions with the HCTF in the past, he has asked whether everyone will be in the HPIC and whether doctors will be able to charge higher fees outside of the package. Johnston is also concerned with the financing of the health care package.

SEN. EDWARD KENNEDY (D-MA) - Senator Kennedy, Chairman of Labor and Human Resources Committee, is the Senator most closely associated with health care issues. He has been working on comprehensive health reform issues for well over two decades. Although previously a strong single payor advocate, in recent years, Kennedy has moved to employer-based approaches because he believes that using business to significantly underwrite the cost of health reform will substantially reduce the need for tax federal increases and therefore make the package more sellable to both the Congress and the American public.

He joined with Majority Leader Mitchell, Senator Rockefeller and Senator Riegle in introducing a play or pay employer-based health care model. Despite the backing of these Democratic leaders, it received surprisingly little rank-and-file support. Perhaps as a result of this, he has come to believe that only a plan backed by a President can be enacted. For this reason, Kennedy will likely be open to any comprehensive reform approach that meets the criteria of universal coverage, cost containment and quality assurance.

He is also concerned about coverage for long-term care. He introduced a substantial and expensive ($45 billion a year when fully phased-in) long-term care plan with Senator Mitchell. This also garnered little support. Alternatively, he worked with Senators Pryor, Hatch, Packwood and Bentsen in passing a long term care insurance standards bill. This attempt was blocked because it did not include the tax clarifications that the insurance industry sought in any type of insurance standard package for long term care.

In addition to all these reform efforts, Senator Kennedy has been extremely active in the public health service areas. His interests are broad ranging, from concerns about tobacco advertising to adequate funding of AIDS research and services, to Head Start to extensive oversight over FDA, to an effective illicit drug strategy to minority health.

Recent Developments: Most recently making press for primary or sole jurisdiction over Health Care Reform. Howard, Steve and Chris met with Labor Committee Staff Director Nick Littlefield last week. At that meeting he was informed that we appreciated their suggestions but would defer to majority leader on this highly controversial issue. The Committee has also agreed to hold hearings that are consistent with our message in early to mid May. Specifically, they will focus on the cost of not doing health reform and the cost effectiveness of mental health coverage in the benefit

package. Lastly, he will want to be significantly consulted in the upcoming weeks.

SEN. BOB KERREY (D-NE) - Kerrey has displayed a keen interest in the area of health care reform since first coming to the Senate. In his first year, he sat in on deliberations of the Pepper Commission although not a member. He also made health reform one of the centerpieces of his presidential bid.

In the last Congress, Sen. Kerrey introduced a comprehensive health reform bill which is actually quite similar to the framework being developed by the Task Force except that all businesses would be required to join state-run purchasing groups rather than privately run groups. At his meeting with you on March 18th, he was very complimentary of Ira's presentation at the March 4th briefing for the Democratic Senators and in a note to Senator Rockefeller wrote that he "likes what he is hearing out of the White House."

He has made financing a primary focus and advocates creating a health care trust fund run on a pay as you go basis. Sources of financing for his bill included a payroll tax on employers and employees, current federal health spending except for Veteran's (for whom he believes a separate system must be maintained), new taxes on cigarettes and liquor, taxes on Social Security benefits and increasing income subject to tax as well as increasing the top rate. At your last meeting prior to your trip to Nebraska, he expressed interest in providing language to help sell the plan.

Recent Developments: Senator Kerrey has recently circulated a proposal to create a trust fund which would account for all health care expenditures. The fund would be "pay as you go" and all health expenditures including FEHBP and NIH. He suggests that a proposal on appropriate taxes to designate for health care reform before the introduction of a comprehensive plan.

SEN. JOHN KERRY (D-MA) - Senator John Kerry has represented Massachusetts since 1984. Senator Kerry is most known for his involvement with the POW/MIA issue. Not known to be a major player on health policy in the Senate, he does have some significant health views. He favors a managed competition approach to reform and wants to support the President. Administrative simplification and insurance reform are of particular interest. Wants to protect biomedical and biotech industry, which is a growth sector in Massachusetts. Senator Kerry is a Vietnam veteran, and may be sensitive to major changes in the VA. Senator Kerry warns that expectations are high and urges regular meetings with Senators.

SEN. FRANK LAUTENBERG (D-NJ) - Senator Lautenberg is very concerned that health reform will hit two big industries in New Jersey: pharmaceuticals and insurance companies. This coupled with the fact that he up for re-election in 1994, which mean skittishness on certain aspects of the plans. Governor Florio re-election effort in 1993,

may also influence Senator Lautenberg's vote. The pushed by Sen. Daschle on Single Payer, he resisted saying he was in the Managed Competition mode. While nervous about employee mandates, Lautenberg wants to be part of the whole team and believes he can serve as a liaison with the business community. Other concerns include transportation services to help provide access to health care in rural areas and about the overuse of technology.

SEN. PATRICK LEAHY (D-VT) - Senator Leahy is chairman of the Senate Agriculture Committee. As such, he notes that one quarter of all Americans live in rural areas and provisions need to be made to ensure that they have access to needed health care services. He was one of the few cosponsors of the Leadership's HealthAmerica Bill and is likely to support the Administration's plan. Leahy will want to see provisions in the legislation for state flexibility so that they can move ahead now. In the last congress he sponsored the Leahy-Pryor bill, legislation endorsed by the NGA, to provide waivers to states willing to undertake comprehensive health care reform.

Recent Developments: Senator Leahy was recently upset about a rumor that the Administration was going to name the provision on state flexibility in the reform legislation for his Republican Senate colleague from Vermont, Jim Jeffords. In conversations with the Senator's office, Chris Jennings reassured his staff that there was no truth to this rumor and that we appreciated and understood the Senator's longstanding interest in and leadership on this issue. He is very interested in holding an event in Vermont, perhaps highlighting the flexibility issue, and would like to work with us on it.

SEN. CARL LEVIN (D-MI) - Senator Carl Levin has served Michigan since 1978. His brother, Sander, serves in the House of Representatives, and is a member of the House Ways and Means Committee. Along with Senator Riegle, they are protective of Michigan's auto industry, unions, and the union's retirees. Senator Levin is concerned about cost control, and is very concerned about the President's plan having sufficient cost control mechanisms (a chief concern of organized labor and large industrial manufacturers of his state). He want states to have flexibility to design and implement their own cost control measures. Senator Levin is also worried that a tax cap will be a benefits reduction (another union concern). He has also wanted to know how many will have greater benefits than minimum benefits. Senator Levin also has rural and small business concerns. The Senator supports inclusion of good primary preventive, hospice and home care services in the reform package. a co-sponsor of HealthAmerica in the 102nd Congress, Senator Levin favors Managed Competition and is on record as wanting to support the Administration's plan.

SEN. JOSEPH LIEBERMAN (D-CT) - Senator Lieberman is in his first term and is up for re-election in 1994. Generally, he is supportive of Managed Competition (he liked

the Cooper Bill), but has a real problem with global budgets and caps. He believes, however, that the plan needs to have significant cost containment.

The Senator believes that before the plan is announced, the White House should have a process to hear people's concerns. He also thinks that it is critical to educate the public so people understand the problems with our health system, and what solutions are necessary. He's very concerned we may lose the middle class because of a big new tax. He is encouraged by what he has heard about the Administration's proposal, but has a wait and see attitude.

SEN. HARLAN MATHEWS (D-TN) - Senator Mathews was appointed to fill the term of Vice President Gore. He is not interested in returning to the Senate, and will serve until Tennesseans elect a new senator to fill the Vice President's term. Senator Mathews is generally supportive of the Managed Competition concept. And while he has not backed the administration's reform efforts publicly, he is supportive with some modifications. He would like to see more action on the state level, especially experimental programs. Vice President Gore will be influential in getting his vote.

SEN. HOWARD METZENBAUM (D-OH) - Senator Metzenbaum strongly believes in the need for health care reform and has cosponsored Senator Wellstone's single payer bill. He is concerned about the managed competition approach because he fears that it is too easy on the special interests, especially the insurance companies. He believes to truly reform the health care system, the Administration must be willing to take on and defeat the special interests and take the program to the American people. He views health care as a social good that should be provided to all people and that the system should be based on providing services to the people at lowest possible costs. Metzenbaum strongly favors rate setting and a national budget.

Senator Metzenbaum also favors eliminating fraud and abuse in the system. He has major criticism of HCFA for not ferreting out fraud and abuse. Other concerns are anti-trust (He chairs the Judiciary subcommittee), malpractice reform and long-term care.

Recent Developments: Senator Metzenbaum's staff has indicated a great concern about the apparent Administration infatuation on caps for medical malpractice. He is strongly opposed to caps and might even oppose the legislation if they are included at the time of introduction. He has also expressed concern that quality standards may be vulnerable to the Administration's decision to cut back on what we view as unnecessary regulation and he would like us to proceed cautiously in this area.

SEN. BARBARA MIKULSKI (D-MD) - Senator Mikulski is known as an outspoken liberal but her working family Baltimore roots make her one of the most pragmatic and

sensitive members. She supports the Clinton health reform plan in principle but is concerned about the influence of the Jackson Hole group who she calls "a bunch of geriatric Republicans that represent everything that wrong with health care. As a former social worker she would like to see greater use of non-physician health professionals to deliver care.

She is a champion of women's health and an avid pro-choice advocate. The plans position on women's reproductive health services will be critical. She is concerned about improving research into women's health and eliminating the gender bias of NIH research. She is also a strong advocate for seniors. She introduced and passed the Spousal Impoverishment provisions in 1988 so that seniors did not have to spend down all of their assets to qualify for benefits. As the new Chairman of the Labor Subcommittee on Aging, she is promoting the expansion of home and community-based long-term care services.

On the Appropriations Committee, she heads the HUD/VA and Independent Agencies Subcommittee. VA--the largest managed health care system--is a big concern for Mikulski. She cites the Canadian experience where under the massive change to a single payer system, vets lost out. She feels strongly that vets need a seat at the reform table.

Recent Developments: Sen. Mikulski asked for and received meeting for Dr. James Block, president of Johns Hopkins University Medical Center. She appreciated Ira Magaziner coming to hill to meet with him. She wants a Maryland event to replace the event cancelled due to snow.

SEN. GEORGE MITCHELL (D-ME) - Few Majority Leaders in the Senate's history have been as interested and as committed to passing comprehensive health care reforms.

Mitchell is the sponsor of two Senate Democratic leadership comprehensive reform bills dealing, respectively, with access (S. 1227, Health America) and long-term care (S. 2571, the Long Term Care Family Security Act). In addition, he is leading an effort by the Democratic Policy Committee (within the Senate) to attempt to develop consensus on the health care issue within the Democratic party.

Senator Mitchell believes that the single payer approach is not politically feasible. However, at this point, his primary concern and commitment is to push through anything, which can be defined as truly comprehensive, that will pass the Congress. He has repeatedly indicated his intention to work closely with the President to help assure that a bill can make it to the White House before the end of the 103rd Congress.

As you know, however, he was a strong advocate of incorporating the health care legislation into the budget reconciliation bill. Having failed that, he and his lead staff

are now relatively pessimistic about attracting enough Republicans to support a health reform initiative without having to make major, and perhaps unacceptable, concessions. Just yesterday, (Sunday, April 18th), he indicated his opposition to price controls, his uneasiness with but possible openness to a VAT tax for health, and his desire to wean out all the fraud, abuse and waste BEFORE contemplating large tax hikes.

SEN. CAROL MOSELEY-BRAUN (D-IL) - Senator Mosely-Braun is one of the freshman members of the Senate. She is a single payer advocate, and is somewhat skeptical of the managed competition model. The Senator believes that there should be one entity collecting revenues for the health care system, and that health care insurance providers unnecessarily duplicate services.

The Senator is particularly interested in financing mechanisms, and would have supported Senator Wellstone's American Health Security Act, introduced March 3, save for her reservations over his approach to funding. She is concerned by public reports of the proposed sin tax, which she feels will not be sufficient to finance health care reform. If a sin tax is not sufficient, and given the tax increases in the President's economic proposal, the Senator is curious about what other mechanisms the Health Policy Task Force is considering for revenue.

Sen. Moseley-Braun is also interested in the composition and mechanism for creating a basic package of services. She is interested in seeing an increase in resources and focus on primary and preventative care. She would also like to make sure that long-term care is part of the reform package, and was a little concerned about signals sent during the meeting with the Congressional Black Caucus on this issue.

The Senator also feels that if managed competition is chosen as the avenue to health care reform, a mechanism be put in place to insure that health insurance provider cooperatives have an incentive to serve consumers in urban and rural poverty areas. Additionally, the Senator is interested in a slow phase-in of veterans into an overall health reform package.

SEN. DANIEL PATRICK MOYNIHAN (D-NY) - As you know, the new Chairman has yet to take a position on national health reform. His interests lie primarily in the areas of Social Security and welfare reform. He is not a detail person when it comes to the health care debate. Although a number of people have discussed health care with him, it is notable that the one who seemed to catch his fancy the most was Alan Enthoven.

The only health care-specific issues that the Senator is particularly known for are: (1) his advocacy and support of New York hospitals, (2) his concern about the mentally ill and the homeless, (3) his support for chemical and substance abuse in a benefit package, and, most recently, (4) his support of innovation at the state level. On the latter point,

he introduced a liberalized Medicaid managed care measure that the NGA strongly supported. (This legislation was opposed by the Children's Defense Fund because they felt that savings through this cost containment approach would be at the expense of the Medicaid population).

Recently, the Chairman and his staff have been rather pessimistic about the chances for health reform this year. The complexity, controversy, and potential expense of it frighten them. The Chairman, in comments that have been somewhat retracted by staff, has indicated his concern about any large new taxes to fund the program and any use of price controls to contain costs. Although he has stated to you his willingness to raise whatever tax is necessary for the elimination and integration of Medicaid into the new system, as well as a one card for all system, his nervous statements should not be totally written off.

Senator Moynihan's most recent communication was in a letter to the President, in which he reiterated his strong support for a health security card and in which he proposes the idea of merging the health card and Social Security card into one. In the letter, he also expressed his strong concerns that the Social Security Commissioner has not yet been appointed.

Recent Developments: At your meeting this week with the Senate Finance Committee, Moynihan was among those who agree not to rush this thing. He expressed the view that the Administration should take more time if needed to do it right.

SEN. PATTY MURRAY (D-WA) - Senator Murray was a state senator before being elected to the U.S. Senate this past fall. She serves on the Budget, Appropriations and Banking committees. As a former state legislator, she will be sensitive to ensuring state flexibility, especially in light of the Washington state legislative health care initiative. While she has not taken on a public position on a particular health plan, she has indicated she will likely support the President as long as it extends coverage and allows for state innovation.

Sen. Murray is an advocate for women's health, including extreme concern about breast cancer and screenings. She also strongly backs long-term care as part of reform. She is very concerned about eliminating pre-existing conditions exclusions. Senator Murray will soon introduce legislation (similar to Congressman Reynold's bill) designed to raise the excise tax on firearms and earmark the revenue for health care.

SEN. SAM NUNN (D-GA) - Senator Nunn is known more for his Armed Services committee work, than for health care. Treatment of CHAMPUS and other Department

of Defense health programs under the reform plan will be a major concern. Senator Nunn hasn't taken a position on a type of plan. However, he is extremely opposed to employer mandates. In fact, the Senator states that President Clinton has assured him the plan will not include employer mandates. He is strongly in favor of tight entitlement caps. He is unsure how a global budget will work on private spending. As the Senator from Georgia, he also has strong rural health concerns.

Recent Developments: Nunn co-chairs a Commission which will soon be making recommendations on health care reform along the lines of managed competition. Reports are that they are leaning towards an individual mandate and it is likely that they will not support even temporary price controls. It is unclear whether they will endorse the concept of universality.

SEN. CLAIBORNE PELL (D-RI) - Senator Claiborne Pell is the most senior member of the Senate Labor and Human Resources Committee and a long-time advocate of "cradle to grave" health coverage. On health care reform, he is not an ideologue and is not committed to any method of reform. In 1972, he joined in introducing legislation which would have mandated employer-based health care reform. As a member who has been working on the issue for sometime and would be joyous to see actual progress.

Because of his well-to-do elderly constituency, Senator Pell voted to repeal the Catastrophic Health Care Reform legislation. This is significant because it may indicate that a prescription drug benefit that most well-to-do elderly already have will not be adequately responsive to an influential constituency of his. This helps explain why Senator Pell's top health care concerns include coverage for long-term care [Rhode Island has one of the highest percentages of elderly of any in the country] and preventive services [he is opposed to smoking and has sponsored legislation to provide grants to states for health promotion programs] and expanding the use of non-physician health providers. He also interest in studying other country's health care systems and taking lessons from their experiences.

SEN. DAVID PRYOR (D-AR) - Senator Pryor is part of the Senate leadership (Secretary of the Democratic Conference). As the Chairman of the Senate Special Committee on Aging, he is well liked and respected by the powerful aging advocacy community. In addition, he is one of the few Democrats that the small business community genuinely trusts. Further, his status as a former Governor and his advocacy of state-based approaches to comprehensive reforms has gained him a great deal of good will with the Governors. Although an unassuming Member and one who does not get overly involved in detailed policy discussions, he has also emerged as one of the most influential and best liked Members of the Senate. All of these roles ensure that he will be a particularly key player on the health care front.

In terms of health care priorities, drug cost containment is the first, second, and third highest priority for Senator Pryor. The concept of linking drug cost containment to tax credits (embodied in Pryor's Prescription Drug Cost Containment Act -- S. 2000) was endorsed by President Clinton.

In addition to his drug cost containment interests, he also has a notable legislative achievement record in rural health (relief for hospitals and incentives for primary care doctors in medically underserved areas), state-based reform (his NGA and Clinton candidate-endorsed Leahy/Pryor bill), and long-term care (his proposal for Federal standards for private long-term care insurance policies).

Recent Developments: At the Finance meeting April 20th, Sen. Pryor supported the view that more time should be taken to assure that you do it right. He backs the use of a dedicated tax for health care, perhaps a VAT. He also backs the inclusion of a long-term care benefit. He believes that as long as we will be spending billions of dollars, we should make certain that it attracts popular support for the plan. You may wish to acknowledge receiving the testimony Senator Pryor sent to you from the hearing he held recently on long-term care, particularly that of the 10-year-old which you found so moving. Also Senator Pryor has scheduled a hearing on May 6th focusing on individual responsibility. You are currently scheduled to attend a breakfast he is holding beforehand.

SEN. HARRY REID (D-NV) - Senator Harry Reid is in his second term in the Senate. Traditionally not outspoken on health issues, he spends most of his time with his Appropriations and Environment and Public Works committees. He has yet to take a position on a particular reform model. He is waiting to see what the HCTF and the President have developed. The Senator stresses rural health issues, and wants lead screening emphasized. Concerned about mandated benefit packages, because he believes they have not worked at the state level. He is also worried about the impact of reform on physicians' earnings.

DONALD RIEGLE (D-MI) - Senator Riegle considers himself to be a major player in the health care debate. He is Chairman of the Finance Subcommittee on Medicaid and was a lead sponsor of the Mitchell, Rockefeller, Kennedy "play or pay" health care reform proposal. He has always felt he did not get adequate credit for his work on the bill. Although he sponsored this bill, he appears to be extremely willing to sign on to virtually any approach that achieves universal coverage and cost containment.

Senator Riegle is very interested in many health issues, including: child immunization programs, rural health care, Medicare prescription drug coverage, retiree health liability concerns, long-term care, and a host of others. Senator Riegle strongly believes that cost containment savings should be used to help reform the health care system -- NOT for

deficit reduction.

Most recently, Senator Riegle has pushed his outreach efforts with the Medicare Qualified Medicare Beneficiary (QMB) program. The QMB program pays for the deductibles, premiums and copays of low-income Medicare beneficiaries. Unfortunately, only about 50 percent of the eligible population receive the benefit. This program, because it is partially underwritten by the states, is one of the most unpopular benefits that the states support. (Most of the states believe there are higher priorities). At any rate, Senator Riegle has introduced legislation to expand outreach efforts at SSA offices and other areas. (The Administration has not yet taken a formal position yet).

Recent Developments: At the April 20th meeting with the Finance Committee, he stated his interest in looking at longer budget periods than five years (he can't understand why we are always locked into a five year budget plan). He believes it is important to look at national, not just federal, spending because most of the saving will come from the private sector. He also felt that we needed to look at and change the language used to explain the plan.

SENATOR CHUCK ROBB (D-VA) - Senator Robb believes that cost-containment is the key and that it should be stringent. He has not taken a position on any particular health plan, but likes what he hears so far from the Task Force. He is likely to be supportive. He was an active member the Mitchell working group and was comfortable with its overall approach. Also, he was a member of the National Leadership Commission on Health Care which predated the National Leadership Coalition. Senator Robb is up for re-election in 1994.

SEN. JAY ROCKEFELLER (D-WV) - Senator Rockefeller views himself as being (and is) Bill Clinton's number one health care advocate. He was a tireless campaigner and defender of the Clinton health care plan and was a National Co-Chair of the Clinton campaign. Rockefeller is the current Chairman of the Finance Subcommittee on Medicare and Long Term Care. He also has chaired the Pepper Commission and the National Commission on Children.

In addition, Senator Rockefeller is the founder and Chairman of the Alliance for Health Reform, a nonpartisan organization dedicated to advance health care reform through education of public opinion leaders. Lastly, as you well know, his is now serving as the new Chairman of the Senate Veterans Committee.

Senator Rockefeller's health care priority is very simple: He desperately wants to see a comprehensive reform package enacted during the Clinton Presidency. Although he thinks the long-term outcome of such an achievement is politically attractive, he is primarily pushing this reform because he is sincerely committed to the need for reform. In this vein, he is not overly committed to any one particular approach although he has

advocated an employer-based approach. He, therefore, can be counted on to support virtually anything the President ends up proposing, as long as it achieves universal access and cost containment.

Senator Rockefeller was very pleased with the Veterans' meeting last Thursday. He was concerned about the AP story the day after, but from the beginning did not believe it was true.

Recent Developments: At his one on one meeting with you he was upset with Gore, Bentsen, Panetta who he thinks are less than supportive of reform. He thinks Moynihan can be brought on board. He urged using the phone more to increase contact with members. He felt that of the Finance Committee Republicans that we should go after Chafee, Danforth and Durenberger (He seemed less confident about Packwood). Will play the heavy on taxes with the public, press, and members. It may well be worth reiterating your desire to meet with him on a substantive level over the next few weeks.

SENATOR PAUL SARBANES (D-MD) - Senator Sarbanes is in his third term and is up for re-election in 1994. He originally supported Kennedy's Single Payer plan in 1972, but realizes it won't work today. Currently, he is not committed to a specific approach and is open to different options. He has a wait and see attitude on the HCTF deliberations, but he wants to help Clinton and will support Mitchell, Rockefeller and the Democratic Leadership.

SENATOR PAUL SIMON (D-IL) - Senator Simon is very interested in health care reform, and leans toward a single payer approach but also cosponsored the Leadership's Health America bill. He is close to organized labor and sponsored amendments to strengthen the cost containment provisions of HealthAmerica proposed by the AFL-CIO. He has also been one of the Senate's strongest advocates for long-term care and has cosponsored many bills in this area. He is very interested in children's and minority issues. He has a long standing interest in education issues, particularly higher education. He is a strong supporter of increasing enrollment of minorities in health professional schools.

Recent Developments: Sen. Simon recently met with Robyn Stone and reiterated his avid support of a significant long-term care plan. He cites his Senate campaign in which he advocated comprehensive long-term care legislation which outlined specific tax mechanisms. This plan received a great deal of support in the state, so much so that his opponent then-Secretary Lynn Martin pulled ads attacking the tax because they were so negatively received by the electorate.

SENATOR PAUL WELLSTONE (D-MN) - Senator Wellstone is very interested in health

care reform. In March, he reintroduced his single-payer bill, the Senate counterpart of the McDermott bill. Despite his strong bias toward single-payer and his suspicions of managed competition, he has expressed a willingness to work with you. His strong desire for reform and his belief that we must act now make him likely to support the Administration plan. He has a strong interest in mental health and substance abuse benefits. He modified his previous bill to strengthen its mental health provisions. Other concerns include rural health, consumer choice and state flexibility (so that Minnesota might pursue a single payer option).

Recent Developments: Indicated concern regarding talking points distributed by the Task Force to the members of Congress particularly how single payer was characterized.

SENATOR HARRIS WOFFORD (D-PA) - Since his Senate race victory which was widely attributed to his support of health reform, Senator Wofford has actively pursued this issue in the Senate. He is part of the group of five (with Daschle, Baucus, Kerrey and Bingaman) on a single financing state implemented health system with a national health board approving state plans. Employers and individuals would pay a progressive premium to a fund which would go back to the states on percentage basis. The original Daschle-Wofford bill was called the American Health Security Act, partially because Wofford believes so strongly in the importance of the success of the Social Security system. He believes that his proposal took into account a middle road between the single payer and managed competition crowds. He believes everyone should be required to participate in the Health Alliances (no opt-outs), that the program must be state of regionally administered and the long-term care coverage is essential. He has previously expressed concern over what he felt was the lack of discussion by the Administration of long-term care in connection with reform.

He is working with the Democratic Policy Committee health working group and is looking at the health insurance purchasing cooperatives and how they could work. He is very intellectual and savvy about how difficult some of the concepts are to comprehend by the public. For example he dislikes intensely the term "global budget, believing that it is too large to understand and turns people off. He believes that Clinton and Congress must do a lot of educating on health care reform.

Recent Developments: It has become clear to the Senator that his election is tied to Health Care Reform. He will be very helpful. Language use to describe and sell the plan are very important to him. He is very appreciative of your attending his forum in Harrisburg earlier this year.

TEN SENATE TARGETS

Of the 45 members who will be attending the retreat, we have targeted 10 members who we feel it is particularly advisable you try to seek out. Below is a list of these members and a brief explanation of why they have been chosen and what you may want to discuss with them:

Sen. Jeff Bingaman - Garamendi-like plan advocate whose state has many small businesses he is concerned about. Wants to be recognized as a player who has introduced particularly noteworthy legislation.

Sen. Dennis Deconcini - Swing Democrat nervous about taxes and excessive burden on small business. Stress importance to economy, benefits for seniors, and the importance of his support for and advice on the health reform legislation.

Sen. James Exon - A conservative Democrat and a swing vote on this issue. He is concerned that his absence at the Nebraska event -- despite your invitation -- may have been taken as a slight by you. You may want to tell him you completely understood he had a long-standing family obligation and look forward to working with him on this issue.

Sen. Howell Heflin - A conservative Democrat, a swing vote on this issue and influential with Southern Democrats. Stress how important reform is to his constituents and how much we are counting on his leadership among the Southern Democrats. He will be a major roadblock on ANY cap proposal related to medical malpractice reform. You may want to ask his advice on this issue.

Sen. Ernest Hollings - A moderate to conservative Democrat and a swing vote on this issue. Stress importance for economy and competitiveness. Thank him for his strong support on the stimulus package and seek out any advice he may have on health reform.

Sen. Edward Kennedy - Although extremely pleased with everything you and Ira have done, you may want to take this opportunity to acknowledge his recent and repeated requests that we be sensitive to his jurisdictional interests. No commitment should be made, of course, since we will be trying to work this out with the Majority Leader. The primary reason we have placed him on this list, however, is that he is one of the two primary Chairman in the Senate and we

want to make sure he always feels in the loop.

Sen. Patrick Leahy - Upset over rumor that a provision of the bill on state flexibility was to be named for his Republican Senate counterpart from Vermont, Jim Jeffords. No truth to the rumor. You may want to say that, when we think of state flexibility, we think of his leadership on this issue. (Last year he introduced the NGA-endorsed Leahy-Pryor bill). You may also want to share that we are thinking of some type of event in Vermont (perhaps attended by Mrs. Gore) on the issue of state flexibility. You may want to seek his advice on how best to set this up.

Sen. Daniel Patrick Moynihan - All of our reports from the Senate still indicate that he feels insufficiently "stroked" and appreciated. Although he probably would not respond to a "substantive" health care conversation, a personal, informal discussion is probably extremely advisable. You may also want to reiterate your and the President's desire to get reform passed this year.

Sen. Paul Wellstone - Was upset over the Talking Points we sent to the members of Congress, particularly the description of Single-Payer. You may want to stress the commonalities between our approach and his, and your desire to build on the constructive dialogue you started in his office several weeks ago.

Sen. Harris Wofford - In his brief time in the Senate, he has become a leading proponent of health reform. You may want to touch base with him and remind him how much we are counting on his leadership and support. He wants to advise us on how best we can develop and sell a package; it seems advisable to invite him to provide you counsel on this issue.

PHOTOCOPY
PRESERVATION

"Average person's health spending, 1994"

Explanation of categories:

Average personal income is 1991 personal income from the Economic Report of the President, projected by rate of increase in GDP (using HCFA GDP projection) to 1994.

Average person's health bill is national health expenditures divided by population.

Health insurance is the sum of employer and employee contributions to health insurance premiums and individual policy premiums.

Medicare payroll tax is the sum of employer and employee contributions to Medicare hospital insurance trust funds and premiums paid by individuals to HI & SMI trust funds.

Workers' compensation, disability/industrial inplant is the sum of employer payments for workers' compensation and temporary disability insurance and cost of inplant health services.

Out-of-pocket is out-of-pocket spending by individuals.

Other spending at health facilities is non-patient revenue raised by health care providers (e.g, through parking fees, gift shop profits, etc.).

Federal taxes, fees, & other payments represents health expenditures made by the federal government. This is the sum of federal contributions for federal employees' health insurance premiums, contributions to Medicare HI trust fund, Medicare expenditures from general revenue sources, federal share of Medicaid, and other health programs.

State & local taxes, fees, & other payments represents health expenditures made by state and local governments. This is the sum of state and local contributions for their employees' health insurance premiums, contributions to Medicare HI trust fund, state/local share of Medicaid, and other health programs.

Assumptions in estimating "Avg. person's health spending, 1994"

1. Full cost to businesses for health insurance premiums and Medicare payroll tax is borne by employees, therefore, cost is not passed to consumers.

2. Federal health spending is fully financed by revenues and Medicare taxes and does not contribute to the federal budget deficit.

3. Cost-shifting by hospitals and other providers is implicitly reflected largely within the cost of health insurance. A very small portion may be reflected within state and local hospital subsidies.

Average person's health spending without health reform	1994	2000	Average Annual Growth Rate
Average personal income	**$22,369**	**$32,447**	**6.40%**
Average person's health bill	**$3,696**	**$6,167**	**8.91%**
Health insurance	**$1,044**	**$1,742**	**8.91%**
Medicare payroll tax	**$434**	**$725**	**8.91%**
Workers' comp/disability/industrial inplant	**$100**	**$167**	**8.91%**
Out-of-pocket	**$782**	**$1,305**	**8.91%**
Other spending at health facilities	**$113**	**$188**	**8.91%**
Federal taxes, fees, & other payments	**$643**	**$1,073**	**8.91%**
Federal employees' health premiums	$53	$88	8.91%
Federal contributions to Medicare HI	$11	$19	8.91%
Medicare (general revenue)	$169	$283	8.91%
Medicaid	$246	$411	8.91%
Other federal health programs	$174	$290	8.91%
State & local taxes, fees, & other payments	**$569**	**$950**	**8.91%**
State/local employees' health premiums	$149	$248	8.91%
State/local contributions to Medicare HI	$24	$39	8.91%
Medicaid	$186	$310	8.91%
Hospital subsidies	$81	$135	8.91%
Other programs	$130	$218	8.91%

Average person's health spending without health reform	2000	% of Personal Income
Average personal income	$32,447	
Average person's health bill	$6,167	26%
Health insurance	$1,742	7%
Medicare payroll tax	$725	3%
Workers' comp/disability/industrial/inplant	$167	1%
Out-of-pocket	$1,305	5%
Other spending at health facilities	$188	1%
Federal taxes, fees, & other payments	$1,073	5%
Federal employees' health premiums	$88	0%
Federal contributions to Medicare HI	$19	0%
Medicare (general revenue)	$283	1%
Medicaid	$411	1%
Other federal health programs	$290	1%
State & local taxes, fees, & other payments	$950	4%
State/local employees' health premiums	$248	1%
State/local contributions to Medicare HI	$39	0%
Medicaid	$310	1%
Hospital subsidies	$135	0%
Other programs	$218	1%

Average person's health spending WITHOUT health reform	'94 1994	% of Personal Income	'95 1995	% of Personal Income	'96 1996	% of Personal Income	'97 1997	% of Personal Income	'98 1998	% of Personal Income	'99 1999	% of Personal Income	'00 2000	% of Personal Income
Average personal income	$22,369		$23,801		$25,326		$26,946		$28,669		$30,500		$32,447	
Average person's health bill	$3,696	17%	$4,050	17%	$4,429	18%	$4,828	20%	$5,246	22%	$5,684	24%	$6,167	26%
h insurance	$1,044	5%	$1,144	5%	$1,251	5%	$1,363	6%	$1,481	6%	$1,605	7%	$1,742	7%
Medicare payroll tax	$434	2%	$476	2%	$520	2%	$567	2%	$616	3%	$668	3%	$725	3%
Workers' comp/disability/industrial injs	$100	0%	$110	0%	$120	1%	$131	1%	$142	1%	$154	1%	$167	1%
Out-of-pocket	$782	3%	$857	4%	$937	4%	$1,021	4%	$1,110	5%	$1,202	5%	$1,305	5%
Other spending at health facilities	$113	1%	$123	1%	$135	1%	$147	1%	$160	1%	$173	1%	$188	1%
Federal taxes, fees, & other payments	$643	3%	$704	3%	$770	3%	$840	4%	$912	4%	$989	4%	$1,073	5%
Federal employees' health premiums	$53	0%	$58	0%	$63	0%	$39	0%	$75	0%	$81	0%	$88	0%
Federal contributions to Medicare HI	$12	0%	$13	0%	$15	0%	$16	0%	$18	0%	$19	0%	$21	0%
Medicare (general revenue)	$169	1%	$186	1%	$203	1%	$221	1%	$241	1%	$261	1%	$283	1%
Medicaid	$246	1%	$270	1%	$295	1%	$322	1%	$350	1%	$379	1%	$411	1%
Other federal health programs	$174	1%	$191	1%	$209	1%	$227	1%	$247	1%	$268	1%	$290	1%
& local taxes, fees, & other payme	$569	3%	$624	3%	$682	3%	$744	3%	$808	3%	$876	4%	$950	4%
State/local employees' health premiums	$149	1%	$163	1%	$178	1%	$194	1%	$211	1%	$229	1%	$248	1%
State/local contributions to Medicare H	$24	0%	$26	0%	$28	0%	$31	0%	$33	0%	$36	0%	$39	0%
Medicaid	$186	1%	$203	1%	$222	1%	$242	1%	$263	1%	$285	1%	$310	1%
Hospital subsidies	$81	0%	$89	0%	$97	0%	$106	0%	$115	0%	$125	0%	$135	0%
Other programs	$130	1%	$143	1%	$156	1%	$170	1%	$185	1%	$201	1%	$218	1%

PHOTOCOPY
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BC BRIEFING

THE WHITE HOUSE

WASHINGTON

April 22, 1993

MEETING WITH SENATE DEMOCRATS AT
DEMOCRATIC POLICY COMMITTEE
ANNUAL DEMOCRATIC CONFERENCE

DATE:	SATURDAY, APRIL 24, 1993
LOCATION:	JAMESTOWN, VA
TIME:	8:00 pm Dinner
From:	Steve Ricchetti

I. PURPOSE

To join Democratic members of the Senate at a dinner during the Democratic Policy Committee's annual conference.

II. BACKGROUND

This is the fourth annual Democratic Policy Committee Senate Conference, which is chaired by Senator Mitchell and co-chaired by Senator Daschle. The two day conference is an informal series of panels which examine issues relevant to the legislative agenda. Forty-six of the fifty-seven members of the Caucus will be attending, a record level of attendance.

See attached for background on Senators attending the Conference.

III. PARTICIPANTS

The First Lady
The Vice President

See attached list of Senators.

IV. PRESS PLAN

Closed.

V. SEQUENCE OF EVENTS

You will be participating in the dinner on Saturday evening at 8:00 p.m. One half hour into the dinner, Senator Mitchell will introduce Vice President Gore. The Vice President will make brief remarks. Senator Mitchell will then introduce you, and you will make brief remarks (five minutes). An informal session of Q & A with Senators will follow.

VI. REMARKS

See attached talking points.

TALKING POINTS FOR SENATE DINNER

-- Thank you for all of your hard work on the major elements of our economic package.

-- Certainly we are disappointed with the outcome of the vote on the jobs bill. I appreciate the fact that this Caucus stuck with us and that almost everyone voted with us for cloture on the Mitchell/Byrd compromise.

-- But I know that this is a long term game, we'll learn from this experience and hopefully we'll be more help to you on our next initiative.

-- We are approaching the hundred day mark of this Administration. We've already accomplished a great deal in three months: Passage of the budget in near record time, Family and Medical Leave, and Motor Voter.

-- We've also launched our reinventing government initiative, have begun to cut waste in government, have had extensive bi-partisan consultation on Russian aid, and made progress toward resolving an important regional economic/environmental concern at the Forest Conference. Just last week we introduced our proposal on educational reform.

-- Next week we intend to formally introduce our initiatives on campaign finance reform and national service. I will be working with you over the next few months on reconciliation issues. A rapid completion of the reconciliation bill is a high priority for me in moving ahead with the economic plan.

-- In the next several weeks, the Health Care Task Force will be reporting its recommendations to me. Many of your staff have participated in this extraordinary process of developing a comprehensive health care reform proposal.

-- I am grateful for the work of your staff who have dedicated countless hours to our effort.

-- I rely on your advice and counsel, and thank you for what you have already done.

BACKGROUND ON SENATORS

* Senator Akaka:	He has voted consistently with us on the budget.
Senator Baucus:	He recently travelled with the First Lady to Montana for a health care event. The Environment and Public Works Committee, of which he is Chairman, had jurisdiction over the EPA bill. The bill is pending and is scheduled to come before the Senate on Tuesday for a vote. You should reinforce that this is very important and that he protect the bill, and stress to him that you want the bill left in its current form.
* Senator Bingaman:	He has invited you to come to New Mexico sometime in June for a fundraising event. His wife Anne is in line for a position (antitrust) at the Department of Justice, and we are trying to place her. He is very interested in defense conversion issues.
Senator Boxer:	Her son, Doug, worked on the transition team and is now at Legislative Affairs at HHS. She has been very supportive. She will likely want to talk to you about campaign finance reform, specifically the proposed plan to eliminate bundling. Many women Congressional Members are upset about the effects of this on Emily's List.
Senator Bradley:	He has some pharmaceutical industry concerns that he may raise with you in connection with the health care debate. He has asked for a meeting with you and pharmaceutical CEOs before the health care legislation is out. He also has concerns and has been critical about tax legislation.
Senator Breaux:	He was not satisfied with the Administration's strategy on the Stimulus Bill, and may communicate that to you. He is concerned we may be moving away from the "main stream" message, which he believes, helped to secure your election. He recently travelled with the First Lady and Senator Johnston to Louisiana for a health care event.
Senator Bumpers:	

* Senator Conrad:	He is very concerned about the effects of the energy tax on agriculture, particularly because of his bid for reelection in 1994. We tried to accommodate him on some of those issues in negotiations on the budget. His wife, Lucy Calautti, is Senator Dorgan's AA, and was attacked on Capitol Hill last year in a highly publicized mugging.
Senator Daschle:	He is the co-chair of the Democratic Policy Committee (DPC), and is responsible for much of the weekend program. The White House staff met with him this week to discuss better coordination of White House message with the DPC.
* Senator DeConcini:	He recently chaired a hearing on the White House budget. Despite early skepticism, he is working with us on the White House supplemental, over which he has jurisdiction. He has asked for a grazing fee hearing to be held by the Department of Interior in Arizona, a request that Secretary Babbitt is prepared to grant. He has invited Vice President Gore to attend a Washington D.C. fundraiser for him.
Senator Dodd:	He may want to discuss the effects of health care reform on the commercial insurance industry, much of which is based in Connecticut. He recently lost his well liked office manager, Leslie Finn, to cancer.
Senator Dorgan:	He has requested a meeting with you regarding the taxation of foreign businesses. This request is pending.
Senator Exon:	There have been several occasions in which he voted against us on the budget. He is a big St. Louis Cardinals fan.
Senator Feingold:	He is interested in overseas broadcasting consolidation (dismantling Radio Liberty and Radio Free Europe) and thinks we are backing away from this issue.
Senator Ford:	His daughter is undergoing chemotherapy for a recent mastectomy. His committee has jurisdiction over campaign finance reform, and he will be active in directing floor strategy for campaign finance reform. He is very concerned about sin taxes, and may communicate his concerns.
Senator Glenn:	His committee has jurisdiction over reinventing government proposals and over EPA cabinet level status.

Senator Graham:	He is Chairman of the Democratic Senatorial Campaign Committee. You should talk to him about Senator Krueger's race and the Senate Class of '94.
Senator Harkin:	His wife, Ruth, has been appointed to head Overseas Private Investment Corporation.
Senator Heflin:	In response to his concerns regarding the funding of a fertilizer plant in Alabama, we modified the budget successfully. He has been helpful to us when we have needed him on budget and stimulus votes. His wife's nickname is Mike.
Senator Hollings:	He has been enormously helpful to us on budget votes.
Senator Johnston:	He travelled with the First Lady to Louisiana with Senator Breaux for a health care event. He is concerned about the completion of the Red River Waterway project ($ 1.8 billion project) in Louisiana which was not funded for in the budget, and inland waterway user fees. He also has strong reservations on the energy tax.
* Senator Kennedy:	Try to avoid discussing health care jurisdiction with him. We are working with the Senate Leadership to work through jurisdictional issues on health care. We have committed to honoring a fundraising request in Massachusetts.
* Senator Kerrey:	He travelled with the First Lady to Nebraska for a health care event. He voted against us on amendments to the Stimulus Bill.
* Senator Kerry:	As the former Chairman of the Select Committee on POW/MIA Affairs, he met with General Vessey late this week.
* Senator Lautenberg:	He has some pharmaceutical industry concerns that he may raise with you in connection with the health care debate. He is separated from his wife, and will be accompanied by Bonnie Engelbart.
Senator Leahy:	He said in the Wall Street Journal last week that he had not been notified about Russian aid (see attached). Tony Lake did notify him.

Senator Levin:	He may raise his concerns over CAFE standards and auto emissions with you.
* Senator Lieberman:	He will probably bring up the Seawolf submarine issue with you. We have committed to honor a fundraising request in Connecticut, though the date is not yet set.
* Senator Mathews:	He voted consistently with us, although he is considered to be a deficit hawk.
* Senator Metzenbaum:	His daughter, Shelly, was recently appointed to a top position at the EPA. We have thus far unsuccessfully tried to place her husband, Steve Kelman, in numerous agencies. Senator Metzenbaum this week gave a fiery speech on the Senate floor in opposition to the increased funding of the intelligence budget.
Senator Mikulski:	You should avoid discussing the issue of her Appropriations Subcommittee (VA, HUD and Independent Agencies) gaining jurisdiction over National Service. (The decision will ultimately be made by Senator Mitchell).
* Senator Mitchell:	We have accepted his fundraising request in Maine on June 19th.
Senator Moseley-Braun:	Congratulate her on her engagement to Kgosie Matthews (Pronounced Josie, with a Spanish "j"). She has consistently supported us.
* Senator Moynihan:	He recently had a very productive meeting with the First Lady. We are planning to set up a one-on-one meeting with you and Senator Moynihan regarding reconciliation the week of May 3.
Senator Murray:	She has been very helpful to us. As a former kindergarten teacher, she is particularly concerned with children's issues.
Senator Nunn:	He met with James Lee Witt this week to discuss his disappointment with the FEMA declaration in Georgia. FEMA did not declare affected areas in Georgia a major disaster, because it did not meet those standards. Georgia is contesting this decision, which was announced in March. FEMA is likely to turn down the appeal. (There have been no instances of overturning a FEMA decision in this

	Administration. Overturning of a FEMA decision has occurred only a few times in the last decade).
Senator Pell:	He is interested in Russian aid, and is wary of a military solution to the situation in Bosnia.
Senator Pryor:	
Senator Reid:	He has been very supportive of us. He is concerned about the Yucca Mountain nuclear waste repository. He and Senator Bryan recently met with Mack McLarty regarding their concerns about Indian Gaming. He was a Capitol Policeman while in law school. His wife, Landra, was seriously ill a few years ago with a heart problem.
* Senator Riegle:	He has requested a meeting between the Michigan Congressional Democrats and Cabinet level agencies which have jurisdiction over auto issues. This meeting will be taking place soon.
* Senator Robb:	We just recently agreed to sign a fundraising letter for him. The letter should be on your desk in the next few days for signature.
Senator Rockefeller:	He has been very helpful to the First Lady in the health care realm. He met with her this week.
* Senator Sarbanes:	He has been extremely helpful to us on the economic package. He is very concerned about the reductions for federal employees in the budget, but has not voiced this publicly.
Senator Simon:	He is very interested in a balanced budget constitutional amendment.
Senator Wellstone:	He has been supportive of us.
* Senator Wofford:	We have committed to honor a fundraising request in Pennsylvania, although the date is not yet set.
Note:	* marks Senators who are up for reelection in 1994.