WEDNESDAY, AUGUST 4

Ltr Magaziner's requested Meeting

WEDNESDAY, AUGUST 3RD, 93 MEETING WITH HILLARY CLINTON at 3:00pm

	YES	NO
Sherwood Boehlert		
Mike Castle		
Bob Franks		
Dean Gallo		
Wayne Gilchrest (sicily)	✓ (leave at last minute)	
Fred Grandy		
Jim Greenwood		
Steve Gunderson		
Dave Hobson		
Pete Hoekstra	✓	
Amo Houghton		
Nancy Johnson		
Peter King		
Jim Kolbe		
53906 **Scott Klug** Lisa	✓	
Rick Lazio		
Jim Leach	✓	
Jerry Lewis		
Jim McCrery	✓	
Alex McMillan		
Jan Meyers		
Connie Morella		
John Porter		
53306 **Jack Quinn** Pauline	✓	
Jim Ramstad		
Ralph Regula		
Tom Ridge	✓	

AS OF 11 AM

- NOTICE FAXED TO MEMBERS LAST NIGHT.

August 3, 1993

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: Kim Tilley, Amy Nemko
SUBJECT: Briefings for Wednesday, August 4th

Meeting w/ Message Group/DPC Briefing

- Lists of Participants
- Side by Side Chart on Small Business Now and Under Reform

Meeting w/ House Tuesday Republican Discussion Group Briefing

- List of Participants
- Information on Members

Meeting w/ House Wednesday Group Briefing

- List of Participants
- Information on Members
- Rep. Hobson "Dear Colleague"
- Bill Summary of "The Medicaid Health Allowance Act of 1993"
- Executive Summary of "Bridging the Gap: Health Care Coverage for Low-Income Families"
- "Will Rhode Island Send Congress Yet Another Kennedy?" Roll Call 7/22/93

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton **August 2, 1993**
FR: Chris Jennings, Steve Edelstein
RE: Joint Message Group and DPC Small Business Focus Group
cc: Melanne, Steve, Distribution

Tomorrow you are scheduled to attend a two-part meeting sponsored by the Democratic Policy Committee. The first half of the meeting is the Joint Message Group. As you may recall, the House Members indicated today that their workload tomorrow may make it impossible for them to attend. There is a three-part agenda for the first half of the meeting:

1) To discuss and review the September timetable including the consultation, health care workshops, and plan unveiling briefing schedules;

2) To discuss the bipartisan health care workshops after the Presidential address unveiling the plan; and

3) To discuss the congressional materials we are preparing for distribution to the members prior to the August recess.

The second half of the meeting will be a Senate Focus Group meeting addressing health care reform and small Business. It will take place in a separate room immediately following the message meeting.

JOINT MESSAGE GROUP:

September Timetable: Attached is a revised draft for consultative meetings and briefings in August and September prior to the release of the plan. This schedule has been revised to reflect the discussion with the Congressional Leadership this morning.

Health Care Workshops After the Release of the Plan: The leadership has expressed interest in holding bipartisan sessions on a variety of health care issues following the Presidential address. Their input on the date and

structure of such sessions would be helpful.

Congressional Recess Materials: As you know, the members have asked for materials to help them discuss health reform with their constituents during the recess. In response, we have prepared the draft that we gave the leadership to review this morning. It includes sections on the goals of the plan, the need for reform, the cost of doing nothing, a description of how the new system will work, questions and answers about the plan, a section on small business and health care, and a description of the task force process. We will be incorporating their comments in order to have the notebook printed and sent up to the Hill by Thursday. The Senate and House leadership will be responsible for distribution.

SENATE FOCUS GROUP ON SMALL BUSINESS:

As of the writing of this memo 17 members were scheduled to attend the Focus Group on Small Business. These Members run the political spectrum from liberal members such as Senators Mikulski and Wellstone to more conservative members such as Senators Exon and Deconcini. They will be interested in a briefing on the plan and how the financing will affect small businesses and their employees. The theme that small business has been the victim, not the villain of the current health system should play well. Also, the responsibility theme seems to hit a responsive chord. You may wish to use the side-by-side chart on small business now and under reform from the small business briefing book for this purpose. After your presentation, there will be general discussion and questions and answers.

Health Message Board Meeting S-211; 12:30-1:30pm
(Attendance as of 6:00pm)

SENATORS	Representatives
Reid	
Rockefeller	Fazio
Wofford	Bonior
Kerrey	Kennelly
Boxer	Richardson
Riegle	Lewis
Daschle	Derrick
Mitchell	Hoyer
Kennedy	
Pryor	

Small Business Question and Answer S-207; 1:30-2:45pm
(Attendance as of 6:00pm)

Akaka

Bingaman

Boxer

Breaux

Bryan

Conrad

Deconcini

Exon

Feinstein

Ford

Levin

Lieberman

Mikulski

Pryor

Wellstone

Mitchell

Riegle

SMALL BUSINESS, HEALTH CARE COSTS, AND THE CLINTON REFORM PLAN*

Small businesses face higher costs and more unstable insurance premiums. The Clinton plan will reduce these burdensome costs.

TODAY	THE CLINTON REFORM PROPOSAL
High Administrative Costs: Higher administrative costs kill small businesses. These costs account for as much as 40% of the policy costs compared to about 5% for large companies.	**Cuts Administrative Costs:** Administrative costs will be dramatically reduced by the formation of health alliances which will streamline and simplify administrative functions.
Faster Rising Costs: Premiums for small employers rise at a faster rate than for other employers -- as much as 50% in any given year. [NAM]	**Aggressively Controls Costs:** Health reform will aggressively control costs through market based competition backed up by an enforceable budget.
Inequitable Self-Employed Tax Policy: Today, unlike big businesses, small, self-employed businesses cannot deduct 100 percent of their health care expenses. This has the practical effect of further increasing the cost of insurance that is already priced higher than that available to larger firms.	**Increases Deduction to 100% for Self-Employed:** The Administration proposal will ensure that the self-employed are treated equally under our nation's tax policy, allowing them to deduct the full value of their health insurance coverage.
Workers' Compensation Costs: In today's system, high health care costs are surpassed only by the skyrocketing costs of workers' compensation insurance. Between 1980 and 1985, workers' compensation medical cost grew more than one and a half times as fast as medical costs and now accounts for $24 billion a year in health care expenditures.	**Reform Workers' Compensation:** The Administration's proposal reforms the health component of workers' compensation insurance, making it more efficient and reducing costs by covering work related injuries through health plans in the same manner as non-work related injuries -- eliminating duplication and improving quality for workers who receive services.
Small Employers Have No Control: Small businesses and their employees have little or no ability to determine the level of premiums they pay or the information they receive about the services the plans provide.	**Assures Employers a Place on Alliance:** Business owners will sit on alliances to ensure sensitivity and responsiveness to needs of employers in terms of costs, administrative simplification and quality.
Volatile Costs: Small businesses face large variations in the costs of similar plans. Nearly identical benefits packages can range in price by as much as 350%. [Blue Cross/Blue Shield, Survey of Six Sample Plans, January 1992]	**Stabilize Costs:** The Administration proposal will stop the wild fluctuation of premiums in the small group market through community ratings and insurance reform. We will outlaw discriminatory pricing and ensure smaller predictable cost with aggressive cost controls.

* All answers are based on assumptions of policies which have yet to be finalized or released.

SMALL BUSINESS, INSURANCE ABUSES, AND THE CLINTON REFORM PLAN *

Many insurers discriminate against small businesses, often charging more for similar policies or refusing to provide coverage at all. Abuses within the insurance industry hit small businesses particularly hard.

TODAY	THE CLINTON REFORM PROPOSAL
Hassle Factor: Small business owners who cover their employees spend inordinate amounts of time trying to figure out a maze of insurance policies, forms, and requirements. What's worse is that the rules of the game are changed all the time; unfortunately, they are changed by the seller and not the buyer.	**Eliminates Hassle:** The employer no longer has to worry about the headaches of selecting insurance for his/her employees. The employer/employee-run health alliance negotiates rates, provides information on plans, increases ease of enrollment and absorbs the manpower drain. Then, the employee, not the employer, chooses the plan. Regardless of the choice, however, the employer pays the same fixed amount.
Small Risk Pool: Fewer employees mean a smaller pool to share the risk. Insurers frequently charge more for these policies.	**Spreads Risk Evenly:** The proposal consolidates small businesses in purchasing pools to give them the same bargaining power as large firms.
Underwriting and Experience Rating: Medical underwriting is the practice of basing premiums on perceived risk and medical history. Experience rating is when insurers jack up costs after an employee falls ill or gets injured.	**Prevents insurers from raising rates or dropping coverage after illness strikes:** The Administration's proposal will reform practices such as underwriting and experience rating. Under the Clinton plan, you can drop your insurance plan, but they can't drop you.
Price Baiting and Gouging: Many insurers engage in "price baiting and gouging" offering "discount" rates for the first year of coverage only to charge much higher prices in the next year when pre-existing condition exclusions expire.	**Outlaws Price Baiting and Gouging:** The plan will end the days when insurers can raise and lower premiums at their whim. We will bring predictability and fairness to the cost of insuring families and workers.
Occupational Redlining: Some insurers simply refuse to cover entire industries perceived to be high risk.	**Covers Everyone:** Under the Clinton plan, there is an end to occupational redlining.
Refusal to Renew Policy: After a first year of reasonable rates, small businesses often face higher costs and difficulty obtaining renewal.	**Guarantees Renewal:** The Clinton plan guarantees insurance renewal and stabilizes premiums.

* All reform scenarios are based on assumptions of policies which have yet to be finalized or released.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton August 3, 1993
FR: Chris Jennings
RE: Meeting with the Tuesday Republican Discussion Group
cc: Melanne, Steve, Lorraine, Distribution

Tomorrow you are scheduled to meet with several Members of the House Tuesday Republican Discussion Group. The meeting was arranged following a conversation between Congressman Ronald Machtley (R-RI) and Ira on a trip to Rhode Island. (Machtley is a founding member of this group.)

BACKGROUND

The Tuesday Republican Discussion Group (also known as the Tuesday Lunch Bunch, and previously the Progressive Discussion Group) is a group of generally quite progressive Republicans that started meeting together within the last year or so. Many of the members of this group are on our best chance Republican target list. A membership list and background summary of expected attendees is attached.

Because there are so many Members in both the House Republican Tuesday and House Republican Wednesday groups, we (Congressman Machtley and us) had originally hoped to combine the two organizations together for one meeting. However, the Chairman of the House Wednesday group -- Congressman Jim Kolbe (R-AZ) -- expressed concern about opening up the Wednesday group for this purpose. Respecting his wishes, we scheduled separate meetings.

Congressman Fred Upton (R-MI) is generally viewed to be the Tuesday group's leader. He recently dropped the "progressive" title out of the group's name because he felt it scared off too many people. Since he is a Member of the House Wednesday group (Machtley is not), Upton did not see the rush for a meeting with the Tuesday group. (A Tuesday meeting was impossible because he had to attend the funeral of Congressman Paul Henry (R-MI)). In any event, Congressman Upton may not be in attendance for this first meeting. However, you should probably mention his name during your introduction.

FORMAT AND TALKING POINTS

Congressman Machtley will introduce you to the Members of the group. Following the introduction, he would like you to give a brief summary of the status and details of the plan. I would suggest that you focus a good portion of your remarks on our approach with regard to small business. Like all Republicans, they also will likely be interested in hearing about our commitment to doing serious medical malpractice reform. Other than an issue presentation, I would also talk about our great desire to work closely with and have the support of Republicans throughout the development of the plan and immediately thereafter. Following your 5-10 minute presentation, he would like you to open it up for questions, answers, suggestions.

HOUSE TUESDAY REPUBLICANS

	YES	NO
Sherwood Boehlert		
Mike Castle	X	
Jennifer Dunn		
Bob Franks		
Dean Gallo	X	
Wayne Gilchrest	X	
Fred Grandy		
Jim Greenwood	X	
Steve Gunderson		
Dave Hobson	X	
Pete Hoekstra		
Stephen Horn		
Amo Houghton	X	
Nancy Johnson	X	
Peter King		
Jim Kolbe		
Scott Klug	X	
Rick Lazio		
Jim Leach		
David Levy		
Jerry Lewis		
Jim McCrery		
Alex McMillan		
Jan Meyers		X
Connie Morella		
John Porter		

	YES	NO
Jack Quinn	**X**	
Jim Ramstad		
Ralph Regula		
Tom Ridge		
Chris Shays	**X**	
Olympia Snowe	X	
Peter Torkildson	**X**	
Fred Upton	X	
Bill Zeliff	**X**	
Dick Zimmer	**X**	
Peter Blute	X	
Cliff Stearns	X	

THE TUESDAY GROUP

CONGRESSMAN PETER HOEKSTRA (R-MI): Freshman Congressman Hoekstra (pronounced Hoke-stra) won national recognition by defeating Guy Vander Jagt, a highly visible incumbent and a member of the Republican leadership, in the primary. Hoekstra was a business executive without prior government experience. He is a conservative who promised to spend only six terms in the House.
Hoekstra is a member of the Education and Labor Committee and is part of the Tuesday and Wednesday Groups.

His health views are not known at this time.

CONGRESSMAN SCOTT KLUG (R-WI): An upset winner in 1990, Congressman Klug improved his record with 63% of the vote in 1992 in normally Democratic Madison. A former TV anchorman, Klug is one of the new breed of Republicans - less worried about the free-market and defense but hostile to higher taxes and government intervention. He is considered conservative but thoughtful. Klug is a new member of the Energy and Commerce Committee, part of the Tuesday Group, and previously served on the Select Committee on Children and Education and Labor. He is both a White House and a Bonior target.

While Klug's health care views are not known, he has called for early intervention programs for at-risk children.

CONGRESSMAN JERRY LEWIS (R-CA): Congressman Lewis is perhaps best known for the role he has played in the battle between the Michel and Gingrich wings of the Republican Party in the House. An eight-term Congressman and a member of the Appropriations Committee, Congressman Lewis rose through the Republican leadership ranks reaching the number three position. While somewhat more politically conservative than moderate, Lewis is nonetheless identified with the accommodating wing of the House GOP - demonstrated by his support for the bipartisan budget-summit agreement that included tax increases.

As a result of this vote, Congressman Gingrich, who strongly opposed the compromise, backed a challenge to Lewis' re-election as Republican Conference Chairman. While this attempt failed, Lewis was ousted at the start of this Congress by Dick Armey of Texas with Gingrich's backing. Recently thought of as a potential successor to Minority Leader Michel, his time now seems to have passed. Lewis has a generally conservative record, with the exception of his work on environmental issues, a major concern in his district which borders Los Angeles.

Lewis is a former insurance agent and will likely be sensitive to their concerns.

While his specific health views are unknown, his support for our plan is unlikely.

CONGRESSMAN ALEX McMILLAN (R-NC): Conservative but pragmatic, Congressman McMillan has become a key ally of the House Republican leadership. For example, McMillan supported the 1990 bipartisan budget summit agreement backed by congressional leaders and the President, even though it included gasoline and cigarette taxes. A former businessman, he consistently opposes Federal mandates on business. He voted against an increase in the minimum wage and against the family medical leave bill.

McMillan has been a leader on the House Republican Task Force on Health studying health care reform. He co-sponsored the House Republican health care reform bill, which has been reintroduced in the 103rd. He led the subgroup examining administrative reforms in health care and cosponsored a separate health care administrative reform bill. He also has introduced malpractice reform legislation. There are a substantial number of insurance companies headquartered in his district.

CONGRESSMAN JACK QUINN (R-NY): Freshman Congressman Quinn scored a major upset by winning with 52% in a heavily Democratic district. The district includes most of Buffalo and some of its suburbs. A self-described moderate, Quinn campaigned for major federal infrastructure programs. Quinn is a former public administrator and English teacher. He is a member of the Veterans' Affairs and Public Works Committees.

Quinn's health care views are not known but he is a White House target. He is Roman Catholic and anti-choice.

CONGRESSMAN TOM RIDGE (R-PA): A Vietnam veteran with a moderate voting record, Congressman Ridge represents Erie and its surrounding steel country. Ridge comes from a working-class family and is a graduate of Harvard. He serves on the Veterans, Post Office, and Banking Committees. Ridge is considered a thoughtful Republican and may run for Governor in 1994. He is one of Congressman Bonior's targets.

Ridge's health care views are not known. He has a hearing problem himself and will undoubtedly look out for veterans' interest in health care reform. A Roman Catholic, he has supported abortion funding in cases of rape and incest.

CONGRESSMAN CHRISTOPHER SHAYS (R-CT): A former Peace Corps volunteer and state legislator, Congressman Shays has been a maverick both in the state house and the Congress. While not as liberal as some had hoped, he is one of the few Republicans with a primarily urban constituency - a district with some of the wealthiest communities in the nation. Shays sits on the Budget and Government Operations Committees. He is both a White House and a Bonior target.

In December he responded to the President-Elect's request concerning health care by stating his support for managed competition but concern about global budgets and employer mandates, especially for small businesses. He noted that in the past he had supported legislation which would: bring community health and other similar centers under the Federal Tort Claims Act; cover pre-existing conditions; and establish health savings accounts. He also stated his support for preventive health funding through early intervention, immunization and screening. He asked that any plan adopted include malpractice reforms, paperwork simplification, and increased funding for Community and Migrant Health Centers. He wants to increase penalties for health care fraud, standardize billing, and provide incentives for hospitals to share technology, as well as including coverage of mental health.

Local groups will have an important impact on Shays and Secretary Shalala may be influential as well.

Recent Developments: At the June dinner given by Rep. Kasich for the First Lady, Rep. Shays stated his belief that small business will opt to play but not pay as they have been.

CONGRESSMAN PETER G. TORKILDSEN (R-MA): Freshman Congressman Torkildsen served in the state legislature and as Massachusetts Commissioner of Labor. He strongly resembles his former boss, Governor William Weld, with his fiscally conservative, pro-business stand and his support - as of April - of abortion rights. Torkildsen won his seat with 51% of the vote and Democrats hope to recapture it in 1994. He sits on the Armed Services as well as the Small Business Committee.

Health care reform is one of Torkildsen's priorities. He supports a pro-business plan of vouchers and tax credits. He is one of Congressman Bonior's targets.

CONGRESSMAN BILL ZELIFF (R-NH): A protege of former Gov. John Sununu, Congressman Zeliff won in 1990 on his image as a successful businessman - and after spending $400,000 in the GOP primary. Zeliff's district includes Manchester and eastern New Hampshire. He retained it with 53% of the vote in 1992. Zeliff is a member of the Small Business, Government Operations and Public Works Committees.

While Zeliff's health care views are not known, one possible indicator of his views is that as the owner of a small resort, he has linked his business success to "entrepreneurialism" and frugality.

CONGRESSMAN DICK ZIMMER (R-NJ): Congressman Zimmer is serving in his second term representing some of the country's wealthiest communities. Zimmer has a law degree from Yale and served in the State Senate. He was also head of New

Jersey Common Cause in the 1970's. He is very conservative in fiscal matters, but more moderate on other issues. Zimmer serves on the Government Operations Committee and was a member of the Select Committee on Aging.

While his health care views are not known, he can be helpful if given a specific role. He is a White House target. His influence, however, is said to be limited. His Democratic opponent in 1990 was partially neutralized by Zimmer's pro-choice stance.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: House Wednesday Group
cc: Melanne, Steve, Lorraine, Distribution

August 2, 1993

Tomorrow you are scheduled to meet with the House Wednesday Group. Originally, Congressman Machtley of Rhode Island suggested a joint meeting with the House Progressive Group (the Tuesday Group) and the House Wednesday Group in a conversation he had with Ira. These groups are generally made up of liberal to moderate Republicans with overlapping memberships.

The Wednesday Group is very sensitive about their Membership list and does not, as a rule, meet with people outside their group. Because of this, they decided against a joint meeting with the Progressives. However, a number of the House Wednesday group members are also members of the House Small Business Committee. They were impressed by your presentation to the Committee and thought it would be good for you to address their group as well.

BACKGROUND:

The House Wednesday Group has been in existence for over 30 years. Until recently, it was made up exclusively of moderate to liberal Republican members. Lately, it has been expanded to more mainstream conservative members with a commitment to doing solid policy. As a whole they consider themselves good government types, willing to spend money or support a president of another party if it addresses the needs of the American people. More importantly, they are fairly influential members within the Republican caucus.

The Wednesday Group has 39 members. It includes 16 of the members targeted by the White House or Congressman Bonior as possible Republican votes on health care reform. Our aim is for 10 to 25 Republicans to support our plan on the floor. Also of note, six of the members, including Congressman Kasich and Wednesday Group Chairman Kolbe, were at the dinner Congressman Kasich hosted earlier this spring. Brief profiles of the members of the Wednesday Group are attached for you review.

Last week, Congressman Hobson from Ohio introduced health reform legislation entitled the Medicaid Health Allowance Act. They consider this to be Wednesday Group legislation since it was based on one of their reports called "Bridging the Gap" and because 17 of its 24 cosponsors are members of the Wednesday Group.

The bill aims to control Medicaid costs while increasing coverage to low income uninsured individuals by allowing states to enroll Medicaid recipient in private health plans, such as HMOs and PPOs, with proven record for controlling costs. Plans would have to meet Medicaid benefit requirements and it would expand coverage to all those under the poverty level. It would be paid for by redirecting the Federal Disproportionate share paid to states for uncompensated care in hospitals. A copy of a "Dear Colleague" letter on the bill, a summary of the bill and the executive summary of "Bridging the Gap" are attached for your review.

Your meeting with the Wednesday Group will be somewhat of a historical rarity. The Group very rarely asks someone who is not a member of their organization to address the group in their official Wednesday time slot.

FORMAT AND TALKING POINTS:

Congressman Kolbe will introduce you for brief remarks. After your remarks the floor will be open for general discussion and questions and answers. We would suggest opening your remarks with an overview of where we stand on the development of the plan, followed by a briefing on the plan with an emphasis on the impact on small businesses and their employees. You may wish to refer to the side-by-side chart on small business now and under reform in you briefing materials. As with the Progressives, it would also be advisable to talk about our continuing desire to work closely with Republicans in finalizing the plan and enacting reform.

THE HOUSE WEDNESDAY GROUP

CONGRESS OF THE UNITED STATES

336 Ford House Office Building, Washington, D.C. 20515 Office: 202-226-3236
Fax: 202-225-3637

MEMBERS

1993

Doug Bereuter
Bill Clinger
Michael Crapo
Tom DeLay
David Dreier
Jennifer Dunn
Hamilton Fish
Wayne Gilchrest
Porter Goss
Fred Grandy
Steve Gunderson
Paul Henry
David Hobson
Peter Hoekstra
Stephen Horn
Amo Houghton
Henry Hyde
Nancy Johnson
John Kasich
Jack Kingston
Jim Kolbe, chairman
Rick Lazio
Jim Leach
Bob Livingston
Jim McCrery
Joe McDade
Scott McInnis
Dan Miller
Connie Morella
Tim Petri
Rob Portman
Jim Ramstad
Ralph Regula
Marge Roukema
Clay Shaw
Lamar Smith
Olympia Snowe
Bill Thomas
Craig Thomas
Fred Upton

THE HOUSE WEDNESDAY GROUP

CONGRESSMAN JIM KOLBE (R-AZ), Chairman: Kolbe has been in the House since 1984 representing the east side of Tucson, Arizona. His district includes many high-tech businesses and defense contractors. Previously he served in the Arizona legislature where he earned a reputation as a moderate spurring Arizona to finally enter the Medicaid program. In the House, he votes consistently with the GOP and his record on economic issues is among the most conservative. At the same time, Kolbe is a long time supporter of abortion rights. He sits on the Appropriations and Budget Committees. There is speculation that he may challenge embattled Democratic Senator Dennis Deconcini in 1994.

His health care reform views are not known.

CONGRESSMAN DOUG BEREUTER (R-NE): Congressman Bereuter is an independent Republican who was first elected in 1978. He has a generally conservative record but is willing to buck his party on occasion. He is interested in the mechanics of government and sits on the Banking and Foreign Affairs Committees. He is a member of the Wednesday Group and also served on the Select Committee on Hunger. He is popular in his district which includes the city of Lincoln.

Bereuter's health care views are not known but he has voted against abortion.

CONGRESSMAN WILLIAM CLINGER (R-PA): Congressman Clinger has represented northwest and central Pennsylvania since 1978. Rated a party moderate, Clinger in conservative on economic and foreign policy issues. He is the ranking member on Government Operations and serves on Public Works and Transportation as well.
He is part of the Wednesday Group and was a member of the Select Committee on Narcotics Abuse and Control.

His health care views are not known but he has voted against abortion funding.

CONGRESSMAN MICHAEL CRAPO (R-ID): (pronounced CRAY-poe) Freshman Congressman Crapo comes to the House from the Idaho Senate where he was its president pro tempore, making him the highest-ranking Republican policy-maker in Idaho. Crapo quickly aligned himself this year with the freshman reformers and now sits on the Energy and Commerce Committee. He is a fiscal conservative and won his east Idaho seat with 61 % of the vote.

While Crapo's health care views are not known, he will be sensitive to the needs of

his district's farmers.

CONGRESSMAN TOM DELAY (R-TX): Congressman DeLay represents a heavily Republican district in Houston and its suburbs. He came to Congress in 1984 following a career in the pest control business and the state legislature. A conservative, he backed Newt Gingrich's more moderate opponent in the race for minority whip. DeLay serves on the Appropriations Committee and is a member of the Wednesday Group.

While DeLay's health care views are not known, he has voted against abortion funding.

CONGRESSMAN DAVID DREIER (R-CA): Congressman Dreier is a free market conservative who believes in federal tax amnesty - a position he refined during his years as PR director for Claremont College. While lacking in influence among Republicans when he served on the Banking Committee, Dreier is now in his second term on Rules. He is a member of the Wednesday Group. He won his suburban LA district with 58% of the vote.

Dreier's health care views are not known, but he has voted against abortion funding. He would like to eliminate the tax on Social Security benefits - a position befitting his district's affluent retirees.

CONGRESSWOMAN JENNIFER DUNN (R-WA): A freshman who won her seat in her first effort at public office, Congresswoman Dunn was state GOP chairman for 11 years. Dunn, who supports abortion rights, won narrowly in the primary over an ardent abortion opponent. Dunn won the general with 60% of the vote against a businessman who switched parties in the course of the 1992 election cycle. Dunn represents Puget Sound and suburbs of Bellevue. She is a member of the Public Works Committee and the Wednesday Group. Interestingly, she has not joined the Congressional Women's Caucus.

Her general health care views are not known.

CONGRESSMAN HAMILTON FISH (R-NY): The Ranking Member of the Judiciary Committee, Congressman Fish is well-regarded for his frequent support of liberal causes. He is one of the White House Republican targets. Fish represents Poughkeepsie and the southern Hudson Valley. His colleagues on the Judiciary Committee and his Administrative Assistant, who is highly partisan, are influential with Fish. His wife, Mary Ann, is a moderate Republican and would be important to include if an effort is made to reach Congressional spouses. Fish is a member of the Wednesday Group.

Fish's general views on health care are not known. He has written to the First Lady regarding his strong support of chiropractic services in the health reform proposal. His son has volunteered with a New York program to assist pregnant teenagers, and

Fish asked the First Lady to meet with them. She did so in June. Fish suffers from glaucoma. He has voted against reproductive rights.

CONGRESSMAN WAYNE GILCHREST (R-MD): Congressman Gilchrest is in his second term, representing a district which has had a turbulent political history. Gilchrest won with 52% of the vote to hold this eastern shore and Annapolis seat. He sits on the Public Works and Merchant Marine Committees, and previously served on the Select Committees on Aging, including the Health and Long-Term Care Subcommittee, and Hunger. He is also a member of the Wednesday Group.

While Gilchrest's general health care views are not known, he is considered a target by Congressman Bonior.

CONGRESSMAN PORTER GOSS (R-FL): Congressman Goss represents an overwhelmingly Republican district with a large elderly population. He was one of the prime movers to repeal the Catastrophic Act. His district has more hospitals with high concentrations of Medicare patients than any other district in the country. Goss serves on both the Republican Task Force on Health and on the Rules Committee.

His health care interests include: malpractice; rural health care; long-term care; and veterans. Goss has voted to allow abortions in cases of rape or incest, but against their being performed in military hospitals abroad. He has attended meetings with both the First Lady and with Ira, including Ira's Republican breakfast meetings. Goss is a White House target and if supportive of the package, Goss could be helpful with other Republicans. While usually following the party line, Goss has been more independent on environmental issues.

CONGRESSMAN FRED GRANDY (R-IA) - Congressman Grandy's intelligence and hard work have helped him overcome his image as "Gopher" of "Love Boat" fame. He is a former congressional aide who is now considered one of the ablest of the younger generation of House Republicans. Grandy left the Education and Labor Committee to serve on Ways and Means. He calls himself a "knee-jerk moderate" and represents Sioux City. Many believe he will run for the Senate at some point. Although Grandy voted against Family and Medical Leave, he remains a White House target on health care.

Grandy is a member of the Health Subcommittee. He is regularly allied with business and against labor interests. He has expressed concern about the need for increased funding for immunizations. He believes too much money is spent in the last months of life and is concerned about coverage for self-employed individuals. He is an abortion opponent. In this Congress he has sponsored a bill to provide basic group health care benefits, and cosponsored Rep. Michel's health care reform bill and Rostenkowski's Medicare improvement program. Grandy attended the

February Republican meeting with the First Lady and has been attending Ira's breakfast meetings.

CONGRESSMAN STEVE GUNDERSON (R-WI): Congressman Gunderson is from a dairy producing area of Wisconsin. He recently broke with the Republican leadership when he resigned his position as Chief Deputy Whip to Congressman Newt Gingrich. Gunderson is on the Education and Labor and Agriculture Committees and serves on the House Republican Task Force on Health. He is a member of the Wednesday Group as well.

On health care issues, Gunderson is worried that managed competition could fail rural areas because of the lack of sufficient medical resources. He is also concerned about emergency services with waivers and outpatient clinics. He is on Congressman Bonior's target list.

CONGRESSMAN DAVID HOBSON (R-OH): Hobson was elected in 1990 after a successful 8 year stint in the Ohio State Senate, which he culminated as president pro tem. In the state legislature, he was appointed to the Health Committee at an early stage of his career. Despite his lack of background on health issues he became engrossed in the subject and sponsored many health care bills in Ohio including measures dealing with AIDS, aging and mental health. His comprehensive AIDS bill was criticized heavily by conservatives, but he pushed it through the Republican controlled Senate. In the House, he serves on the Budget and Appropriations Committees.

He has attended (and seemingly appreciated) a number of the Republican Task Force briefings by Ira. He also attended the dinner meeting hosted by Congressman Kasich.

CONGRESSMAN PETER HOEKSTRA (R-MI): Freshman Congressman Hoekstra (pronounced Hoke-stra) won national recognition by defeating Guy Vander Jagt, a highly visible incumbent and a member of the Republican leadership, in the primary. Hoekstra was a business executive without prior government experience. He is a conservative who promised to spend only six terms in the House.
Hoekstra is a member of the Education and Labor Committee and is part of the Wednesday Group.

His health views are not known at this time.

CONGRESSMAN STEVE HORN (R-CA): A freshman Congressman with extensive Washington experience, Steve Horn is a moderate Republican in a district with 50 percent Democratic registration. Horn is on the Government Operations and Public Works Committees and a member of the Wednesday Group. He has been designated a target by both the White House and Congressman Bonior. Horn worked in the Senate when it was the Republicans who gave crucial support to civil rights and he

helped draft the Voting Rights Act of 1965.

While Horn's specific health care views are not known, he favors abortion rights. He also believes in government and Congress as progressive institutions.

CONGRESSMAN AMO HOUGHTON (R-NY): The well-liked former CEO of Corning Glass, Congressman Houghton votes to the left of the House GOP leadership. Not surprisingly, he is popular in his southern NY district where his family is the major employer. Houghton has not had much luck with his goal of convincing the government to run its fiscal affairs like a corporation. He is a new member of the Ways and Means Committee and previously served on the Budget Committee and the Select Committee on Aging.

On health care matters, he is one of the few House members to vote against repeal of catastrophic. In this Congress he has introduced HR 196 - "the Health Equity and Access Improvement Act" which provides tax incentives to improve health access, preempt state anti-managed care laws, reform the small group health insurance market, reform medical malpractice liability, expand rural health programs, create a new public health program for the near poor, and provide incentives to encourage preventive services. He has raised concerns about reducing payments for GME and is interested in telemedicine. He has also questioned how managed competition will work in rural areas. With support from his wife and sister, he has voted pro-choice. Houghton has attended the Republican breakfasts with Ira and is considered a White House target and priority target of Congressman Bonior. However, he voted against Family and Medical Leave.

CONGRESSMAN HENRY HYDE (R-IL): While best known for his skill and creativity at advancing anti-abortion legislation and amendments, Congressman Hyde is also known for his intellectual honesty and willingness - on occasion - to work with Democrats. Not always a reliable partisan vote, Hyde has lost out on party leadership positions which he has sought in the past. Hyde is on both the Judiciary and Foreign Affairs Committees and a member of the Wednesday Group.

While Congressman Hyde's abortion views are all too well known, his opinions on other health care issues are not.

CONGRESSWOMAN NANCY JOHNSON (R-CT) - Congresswoman Nancy Johnson is a moderate Republican who can also be angrily partisan. She supported Newt Gringrich, an advocate of confrontation rather than cooperation with the majority, in his contest for Minority Whip. Her tendency to vote independently, both in committee and on the floor, has made it difficult for her to get the committee posts she has sought. But in the 101st Congress, she became the first Republican woman ever to serve on Ways and Means, and she has earned praise for her efforts to craft a comprehensive package of child care initiatives. With her seat on its Health

Subcommittee, she has focused on Medicare, health, and child care.

She has been an active member of the '92 Group, a coalition of moderate Republicans working on ways to set budget priorities and reduce the deficit, and served as the co-chair in the 100th Congress. In 1988, she joined Lowell Weicker in an effort to moderate the GOP's opposition to abortion rights and restore support for the Equal Rights Amendment in the party's platform.

Johnson is a strong supporter of outcomes research. She does not see insurance reform as the key to cost control. She seems to be leaning toward requiring the individual to obtain health care coverage. Her husband is an oncologist, and she has said repeatedly that doctors are not the cause of the country's health care ills.

Johnson is a White House target. In recent comments, Congresswoman Johnson expressed her support for folding some of the less controversial aspects of health care reform, such as insurance reform and establishment of the HIPCs, into the reconciliation bill so that it can move more quickly. This runs counter to the prevailing Republican position which opposes such omnibus, "grab-bag" legislation. She indicated, however, cost controls and other more controversial parts of the package should be voted on separately.

Recent Developments: At the June 14 dinner with the First Lady at Rep. Kasich's home, Johnson stated that cost controls in the private sector are more advanced than in the government. She also expressed her worry that HIPCs would be too big.

CONGRESSMAN JOHN KASICH (R-OH): Congressman Kasich was first elected to the House in 1982 and re-elected by wide margins ever since. The Congressman is acknowledged by most to be one of the brightest Members in the House. Yet, until recently, his role in the Congress has been similar to Justice Scalia's on the Supreme Court -- that is, while his colleagues admire his intellect he has not been successful in influencing them to support his positions.

In recent years, he has made a name for himself by advocating tough measures to control federal spending. In 1989, he proposed a federal budget freeze that would have held all discretionary spending to fiscal 1989 levels. His 1990 proposal went further, freezing all domestic and defense spending levels. Both measures received little support on the House floor. This year he took on the lead in crafting the House Republican's alternative to the President's budget. His proposal was praised by some in the media for backing up the usual Republican rhetoric, with specific cuts, demonstrating how it would be possible to significantly reduce the deficit without raising taxes. It received more Republican support than his previous efforts, but it still failed to gain sufficient support for passage.

Until this year, other than advocating large cuts in Federal health programs and his opposition to public funding for abortions, he did not appear to have any detailed

position on health care. In late May, however, he released a "White Paper on Health Reform." In the report, he took – not too surprisingly – a rather stereotypical conservative position on health reform, such as the use of MediSave Accounts, means-testing Medicare, increasing Medicare beneficiary copayments, and categorical spending targets for health entitlements (but not for the private sector).

The "White Paper" also includes a number of suggestions that are consistent with the direction the Administration has been heading including: Developing incentives for greater use of competition in the Medicare and Medicaid programs, providing flexibility/waiver authority to the states, reducing health care fraud, assuring insurance portability, establishing purchasing groups, and addressing the medical liability problem.

The report concludes that "two fundamental points emerge from this analysis: policy makers should not put government first in seeking solutions to the nation's health care problems; and true reform must include restoring personal responsibility and the vitality of the doctor-patient relationship. Any reform attempts that circumvent these fundamental budgetary and economic factors will fail."

Recent Developments: On June 14th, Congressman Kasich hosted a dinner for the First Lady with some of his Republican colleagues. He was very happy with the meeting and has been saying quite positive things about the Administration's health reform effort, especially efforts to reach out to and consult with Republican members.

CONGRESSMAN JACK KINGSTON (R-GA): Freshman Congressman Kingston captured a seat previously held by Democrats but one which has a solid Republican base. He won with 58% of the vote in a district which includes the suburbs of Savannah and rural and coastal areas. A former insurance agent and state legislator, Kingston serves on the Agriculture and Merchant Marine Committees. He is also a member of the Wednesday Group. Kingston is a fiscal and social conservative who campaigned promising to oppose all increases in personal or business income taxes.

His health care views are not known.

CONGRESSMAN RICK LAZIO (R-NY): Freshman Congressman Lazio defeated incumbent Tom Downey with 53% of the vote to represent parts of Long Island. A lawyer and former county legislator, Lazio is a moderate and a White House target. He serves on the Budget and Banking Committees. Given the nature of his election, it is not surprising that he wants to implement wide-reaching congressional reform.

His general views on health care are not known. However, he will undoubtedly be influenced by his wife - a nurse-practitioner at a VA hospital - and his chief-of-staff - who worked for former Congressman Gradison. Lazio is pro-choice.

CONGRESSMAN JIM LEACH (R-IA): Congressman Leach is a moderate Republican from a farm and industrial area of Iowa. He is very bright and known for intellectualizing issues. A party maverick, Leach is considered a target but his health views, other than his pro-choice stance, are unknown. Leach is on the Foreign Affairs and Banking Committees. Two historical notes: Representative Leach won the seat by beating Edward Mezvinsky - now the husband of freshman Representative Marjorie Margolies-Mezvinsky; also, Leach resigned from the Foreign Service to protest the firing of Archibald Cox.

CONGRESSMAN ROBERT LIVINGTSTON (R-LA): Congressman Livingston's forebears helped negotiate the Louisiana Purchase and he now represents the southeast section of that state. Livingston is a former federal prosecutor with a combative style who has sought, but failed to gain, higher office. He is a member of the Appropriations and House Administration Committees as well as the Wednesday Group.

Livingston has voted against abortion funding but his other health care views are not known.

CONGRESSMAN JIM MCCRERY (R-LA): Congressman McCrery is a former Democrat who now wins comfortably in this conservative north Louisiana district. It includes parts of Shreveport and Monroe. McCrery is a member of the Ways and Means Committee, the Republican Task Force on Health, and the Wednesday Group.

He is said to be supportive of the Heritage Foundation's tax credit proposal for health care. McCrery opposes abortion except to save the life of the woman.

CONGRESSMAN JOE MCDADE (R-PA): The senior member of the Pennsylvania delegation, Congressman McDade is serving his 30th year in Congress. While his reputation may have been tarnished inside the beltway by bribery charges, his constituents returned him with 90% of the vote. McDade represents Scranton and coal mining areas. He is the ranking Republican on the Appropriations Committee. While he frequently votes against his party, it is usually on labor-related issues.

McDade's health care views are not known but he is a White House target. He previously served on the Small Business Committee and may be sympathetic to their views. A Roman Catholic, he opposes reproductive rights. He can be very difficult.

CONGRESSMAN SCOTT MCINNIS (R-CO): Serving his first term in Congress after five in the state legislature, Congressman McInnis is a traditional conservative. He won with 56% on the western slope of Colorado, including Pueblo. He serves on both the Small Business and Natural Resources Committees and is a member of the Wednesday Group.

While his specific views on health care are not known, he will be looking out for rural areas as well as small business. A Roman Catholic, McInnis is pro-abortion.

CONGRESSMAN DAN MILLER (R-FL): Congressman Miller is a freshman member with a business but no political background. He is on the Education and Labor and Budget Committees and the Republican Task Force on Health. He is also part of the Wednesday Group.

Miller was, and may still be, on the Board of the Manatee Memorial Hospital. Miller supports a cap for medical malpractice lawsuits, arguing that it is one of the only ways to get health care costs under control.

CONGRESSWOMAN CONNIE MORELLA (R-MD): Congresswoman Morella is very popular both with her colleagues in the House and her constituents at home. A moderate-to-liberal Republican, Morella's district includes some of the nation's highest per capita income suburbs, middle and lower-income neighborhoods, as well as the major federal government health facilities. She sits on the Post Office and Science and Technology Committees.

Morella is a White House target. In February she wrote to the First Lady regarding the introduction of H.R. 286, a bill to permit certain hospitals to enter into technology-sharing agreements and thus eliminate duplication of costly equipment by neighboring hospitals. After attending the First Lady's meeting with the Congressional Caucus for Women's Issues, she wrote to Mrs. Clinton concerning: the need to recognize violence as an health care issue; and the problems relating to the growing number of women with AIDS who are not adequately served by health care providers. A Roman Catholic, Morella is pro-choice and has sponsored the Freedom of Access to Clinic Entrances Act. She will want to vote for the health care reform package but will need local support in order to do so.

CONGRESSMAN TOM PETRI (R-WI): Congressman Petri, a member of the Education and Labor Committee, is a moderate to conservative from a heavily dairy area of Wisconsin. He is in the Michel tradition of wanting to work with the Majority to produce results. While Petri has not been a player in health care, he has stated his hope that there could be a bipartisan effort to pass meaningful health reform. For that reason, he is considered a Republican target.

CONGRESSMAN ROB PORTMAN (R-OH): The most junior member of this Congress, Representative Portman won the seat of Republican Bill Gradison, a man he once interned for when he was in college. Portman has extensive Washington experience, including practicing at Patton, Boggs and Blow and Director of President Bush's Office of Legislative Affairs. Portman won the seat with 70% of the vote. He is a member of the Small Business Committee and of the Wednesday Group.

His health care views are not known.

CONGRESSMAN JIM RAMSTAD (R-MN): Congressman Ramstad is in his second term and came to Congress as a former staffer in both the House and the Senate. He represents suburbs of Minneapolis. He now sits on the Small Business and Judiciary Committees. Ramstad replaced Bill Frenzel in the House. Frenzel was moderate but partisan and Ramstad considers him his mentor.

While Ramstad's general health care views are not known, he is a White House target and is pro-choice. He has been interested in emergency medical care for children. He worked on issues involving chemical dependency in young people, cocaine babies and the handicapped while in the State Senate. At that time he also dealt with a personal alcoholism problem.

CONGRESSMAN RALPH REGULA (R-OH): Senior Republican Ralph Regular is known as a partisan who also works amicably and constructively with the Democrats. He is easily re-elected in his district, which includes Canton and some rural and Amish areas. Regula concentrates his energies on the Appropriations Committee. He also served on the Select Committee on Aging and its Subcommittee on Health and Long-Term Care. This is his 10th term in the House and he strays from the party line more often than most Republicans.
He is a White House target.

In a May letter to the First Lady on behalf of the bipartisan Older Americans Caucus, he advocated affordable and accessible health care. He stated their hope that the reform package would "focus on preventative medicine, prescription drug coverage for all Americans, long-term care coverage, and the role of Medicare." He invited the First lady to address the Caucus. Regula is most apt to be influence by local groups. He is anti-choice.

CONGRESSWOMAN MARGE ROUKEMA (R-NJ): Congresswoman Marge Roukema is in her seventh term in the House of Representatives. As a moderate Republican, she has backed outlawing the hiring of permanent workers in place of striking employees, the 1990 Civil Rights Act, removing AIDS from the list of diseases which can exclude immigration and the Family and Medical Leave Act. In fact, she was a Republican leader of the Family Leave bill and opposed President Bush's veto.

Roukema currently serves as the ranking Republican member of the Labor-Management Relations Subcommittee of the Education and Labor Committee, chaired by Congressman Pat Williams. As a former teacher, she has spent most of her time on the Committee focusing on education issues and her health views are not widely known. However her work on the Family and Medical Leave Act, as well as other moderate positions, has made her one of our top Republican targets.

CONGRESSMAN CLAY SHAW JR (R-FL): Congressman Shaw is a former mayor of Ft. Lauderdale who won in his new district with only 52%. Now on the Ways and Means Committee and a member of the Wednesday Group, Shaw gained a reputation for fighting crime and drugs when he served on the Judiciary Committee. On Ways and Means, he switched his vote on catastrophic and voted to repeal it in 1989. He has been an ally of Congressman Stenholm, both believing that parents, not government, should make decisions on child care. The Democrats are trying to recruit Anthony Shriver to run against Shaw in 1994.

While Shaw's specific health care views are not known, he has voted against abortion funding.

CONGRESSMAN LAMAR SMITH (R-TX): Congressman Smith is now serving his fourth term in Congress. His district includes the Austin suburbs and the vast hill and ranching country of south central Texas. He comes from a ranching family and served one term in the state legislature. Smith is very popular in his district and sits on the Budget and Judiciary Committees. He is also a member of the Wednesday Group. Smith served on the Select Committee on Children.

Smith's health care views are not known but he has opposed abortion funding.

CONGRESSWOMAN OLYMPIA SNOWE (R-ME): Congresswoman Olympia Snowe is in her eighth term and represents that northern half of Maine. She was elected when then-Congressman Bill Cohen decided to run for the Senate. Snowe has served as an effective member of the House, working with both sides of the aisle to find common ground. She currently serves as co-chair of the Congressional Caucus on Women's Issues.

At times, she can be a liberal Republican working with members like Pat Schroeder and Barbara Boxer on abortion issues and fetal tissue research. At other times, she can be strictly partisan, aligning herself with Congressman Kasich on the budget committee and one of Newt Gingrich's biggest supporter in his run for Majority Whip. She is a White House target.

Congresswoman Snowe is also energized by local issues. A knowledgeable moderate Republican tells us that the best way to get her vote is to have local groups bring pressure on her. While it is assumed that Snowe will want abortion coverage in the final package, she did not co-sign the May 13 letter on that issue. She is married to the Governor of Maine, John R. McKernan.

Recent Developments: At the dinner the First Lady attended at the home of Rep. Kasich in June, Snowe advocated everyone paying and phasing in the burden on small business. She believes everyone should be sent the message on responsibility.

CONGRESSMAN BILL THOMAS (R-CA) - The Ranking Republican on the Ways and Means Health Subcommittee, Congressman Thomas is an assertive partisan who wants Republicans to offer clear alternatives to Democratic policies. A close friend of Rep. Gingrich, Thomas represents Bakersfield - an area with agribusiness and aerospace and defense industries. He has been honored by the National Federation of Independent Business.

Thomas serves on the Republican Task Force on Health. In February he wrote to the President outlining his concerns about health care. While recognizing the need to control costs, he did not want to do so at the expense of limiting consumers choice or stifling research. He also believes that government controls lead to short-term savings at the expense of optimal care and long-term inefficiencies which raise costs. He supports incentives to allow all working Americans to purchase health insurance and improved programs for low-income families and people on fixed incomes. He sought discussion of the availability of quality health care in rural and large urban areas. He wanted long-term health care addressed.

Thomas outlined his steps for reallocating federal resources to improve health care, reducing health care delivery costs while increasing availability, and enhancing the role of the consumer in health care.

Thomas attended the February Republican meeting with the First Lady and has also attended the breakfast meetings with Ira. Thomas has voted for reproductive rights.

CONGRESSMAN CRAIG THOMAS (R-WY): Congressman Thomas holds former Secretary of Defense Cheney's at-large seat. Thomas's voting record shows him to be one of the most conservative members of the House. He grew up in Cody with Senator Simpson and worked for both the Farm Bureau and the Rural Electric Association. Thomas serves on the Banking and Natural Resources Committees and is a member of the Wednesday Group.

Thomas's health care views are not known but he has voted for funding abortion in cases of rape or incest. He will clearly also be looking out for rural interests.

CONGRESSMAN FRED UPTON (R-MI): Serving his fourth term in the House, Congressman Upton is a protege of former Budget Director Stockman. Upton represents the southwest corner of Michigan, an area of small manufacturing cities. It is a conservative and Republican area in which he is popular. Upton is a member of the Energy and Commerce Committee and the Wednesday Group. He is known to listen closely to local groups.

While Upton's health care views are not known, Congressman Bonior considers him a priority target. Upton supports abortion to save the life of the mother and in cases of rape or incest.

DAVID L HOBSON
7TH DISTRICT, OHIO

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CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
July 20, 1993

THE MEDICAID HEALTH ALLOWANCE ACT OF 1993

Dear Colleague:

Today there is a serious gap between all-or-nothing Medicaid eligibility and private insurance coverage. The people trapped in the middle -- mainly the working poor -- do not qualify for Medicaid and cannot afford insurance.

"The Medicaid Health Allowance Act" is an important step toward bridging that gap. It enables States to redirect Medicaid funds into Health Allowance Programs that enroll eligible individuals in private-market health plans. This approach has several benefits.

** *Increased Access to Health Benefits.* Every individual and family with income below 100 percent of the Federal poverty line will have access to several health benefit plans that are guaranteed to be at least as good as Medicaid. In 1991, more than 10 million persons below the poverty line were uninsured and not covered by Medicaid.

** *Cost Control.* States will redirect Medicaid funds into existing health systems that are proven to hold down medical inflation, in some cases to the rate of general inflation. These systems -- HMOs, PPOs, managed care -- reduce administrative costs, promote preventive care, and route beneficiaries to appropriate care. In contrast, most Medicaid is fee-for-service, and recently has grown more than 11 percent each year.

** *Welfare Reform.* Current Medicaid eligibility is linked to other public assistance programs so that welfare recipients who choose to work risk losing their health benefits. Under Health Allowance Programs, eligibility for health benefits will be "decoupled" from public assistance, and incentives to work will be preserved.

** *State Flexibility.* States will be given flexibility to meet local health needs. Many States are ready to do this now. Arizona already operates a successful Medicaid managed care program, but has to renew its Federal waiver to do so every five years. Kentucky, Tennessee, Oregon and Hawaii have requested similar waivers.

** *Insurance Standards.* States that want to adopt a Health Allowance Program must meet minimum insurance standards related to pre-existing conditions and guaranteed renewability of insurance coverage. A majority of States already have enacted reforms targeted toward the private insurance and the small employer group markets.

** *Budget Neutrality.* Currently the Federal government pays States to reimburse hospitals for the cost of uncompensated care. Health Allowance Programs will increase access to *compensated* care, and reduce instances of *uncompensated* care. On a State-by-State basis, the additional cost of expanding access to care is offset using a matching decrease in Federal payments for uncompensated care.

The Medicaid Health Allowance Act bridges the gap between Medicaid eligibility and affordable health insurance along themes that have emerged important to cessful lth care reform -- increased access to care, cost effectiveness, minimum insurance standards, consistency with welfare reform, State flexibility, and, as a welcome bonus, budget neutrality.

I hope you will join me as a cosponsor of "The Medicaid Health Allowance Act." If you have questions, or want to confirm your cosponsorship, please call me or Greg Moody at 225-4324.

Sincerely,

Dave Hobson

DAVID L. HOBSON

THE MEDICAID HEALTH ALLOWANCE ACT OF 1993

The Medicaid Health Allowance Act enables States to expand eligibility for medical assistance to 100 percent of the Federal poverty line and to control health care costs by redirecting Medicaid funds into Health Allowance Programs that enroll eligible individuals in private-market health plans.

I. THE HEALTH ALLOWANCE PROGRAM

A. The Health Allowance Program allows States to provide eligible individuals with a health allowance to obtain an approved health benefit plan in the private insurance market.

B. The program affects the acute care portion of Medicaid only, and has no effect on long-term care.

C. The program takes the place of direct Medicaid reimbursements, and is payable to individuals' health plans, including employer-based plans.

II. THE HEALTH ALLOWANCE PROGRAM BENEFIT PLAN

A. Health Allowance Program benefit plans are approved by States according to Federal and State standards.

B. State-approved plans must at least equal the actuarial value of a State's current Medicaid benefit package.

C. State-approved plans must include at least one health maintenance organization (HMO) or other plan that uses a capitated system of payments.

D. State-approved plans must conform to current State copayment requirements under the Medicaid program.

III. ELIGIBILITY OF A STATE TO ADOPT A HEALTH ALLOWANCE PROGRAM

A. Eligibility of a State to adopt a Health Allowance Program is determined by the Secretary of Health and Human Services based on an application process set up by the Secretary.

B. Eligibility of a State is dependent on that State meeting certain quality assurances and insurance standards, and on the scope of the State's Health Allowance Program. Specifically, a State must:

1. Adopt and enforce quality assurance standards for health benefit plans participating in the Health Allowance Program;

2. Guarantee minimum insurance standards related to pre-existing conditions and guaranteed renewability, and price ranges for similar health benefit plans within the State; and

3. Offer the Health Allowance Program Statewide, with an allowable transition period of three years.

IV. ELIGIBILITY OF AN INDIVIDUAL TO RECEIVE A HEALTH ALLOWANCE

A. Any individual or family is eligible to participate in a Health Allowance Program if their income does not exceed 100 percent of the Federal poverty line.

B. Any individual or family with income between 100 and 200 percent of the Federal poverty line is eligible to "buy in" to a Health Allowance Program, with government financial contributions phased out by 200 percent on a graduated scale set by the State. Employers may buy in to this program, and may make contributions on behalf of employees.

C. Other criteria for eligibility will be determined by the State, except that a State may not exclude any individual who is categorically eligible for Medicaid, and may not require an individual to meet y resource standard.

A. The financial contribution of the Federal government for a State that operates a H lth Allowance Program equals what would have been paid to that State under its current Medicaid program.

B. The higher cost of operating a Health Allowance Program is covered by diverting all or a portion of existing disproportionate share (DSH) payments to the Health Allowance Program. DSH payments are reduced by an amount equal to the cost of the Program on a State-by-State basis. This provision ensures budget neutrality.

V. EVALUATIONS AND REPORTS

A. The Secretary of Health and Human Services will evaluate the impact of the Health Allowance Programs on increasing the number of individuals with health insurance coverage and in controlling costs of health care, and submit a report on the Programs to Congress.

Sponsors of Medicaid Health Allowance Act
(as of July 27, 1993)

Rep. Dave Hobson (Ohio-7)	WED. GROUP
Rep. Michael Castle (Delaware-at large)	
Rep. Bill Clinger (Pennsylvania-5)	WED. GROUP
Rep. Paul Gillmor (Ohio-5)	
Rep. Newt Gingrich (Georgia-6)	
Rep. Porter Goss (Florida-14)	WED. GROUP
Rep. Fred Grandy (Iowa-5)	WED. GROUP
Rep. Steve Gunderson (Wisconsin-3)	WED. GROUP
Rep. Nancy Johnson (Connecticut-6)	WED. GROUP
Rep. John Kasich (Ohio-12)	WED. GROUP
Rep. Jack Kingston (Georgia-1)	WED. GROUP
Rep. Jim Kolbe (Arizona-5)	WED. GROUP
Rep. Rob Portman (Ohio-2)	WED. GROUP
Rep. Ralph Regula (Ohio-16)	WED. GROUP
Rep. Pat Roberts (Kansas-1)	WED. GROUP
Rep. Olympia Snowe (Maine-2)	WED. GROUP
Rep. Bill Thomas (California-21)	WED. GROUP
Rep. Craig Thomas (Wyoming-at large)	WED. GROUP

THE HOUSE WEDNESDAY GROUP
CONGRESS OF THE UNITED STATES

386 Ford House Office Building, Washington, D.C. 20515 Office: 202-226-3236
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BRIDGING THE GAP

Health Care Coverage for Low-Income Families

March 30, 1992

* Summary attached. If you would like full documnent, please contact Joyce McGarry at (202) 225-4324.

EXECUTIVE SUMMARY

The shortcomings of today's Medicaid program call for a meaningful restructuring to better serve low-income individuals and families. This paper attempts to focus the debate over health care reform by highlighting several inherent problems of the Medicaid program and proposing a strategy for improving access to health care for the nation's poor.

The ideas in this paper provide a more detailed discussion of reform initiatives which were first raised in the Wednesday Group paper "Moving Ahead: Initiatives for Expanding Opportunity in America," released in October, 1991. Improving access to health care for low-income families furthers a central theme of the reforms presented in that paper - that of promoting independence from welfare.

In this paper, we have concluded that two design innovations are imperative: 1) the Medicaid program or its replacement must be severed from its eligibility links with other cash assistance and entitlement programs; and 2) there must be a stronger public and private partnership to administer and deliver health care for the poor and near poor.

The direction for public policy suggested here is an attempt to bridge the gap between all private or all public health insurance. We believe that having either all private or all public coverage should not stand as mutually exclusive alternatives to having no coverage at all. Specifically, this paper calls for state projects to be established to show the effectiveness of a sliding-scale health insurance allowance program that would have Medicaid work with private insurance, rather than substitute for private insurance. We believe that a sliding-scale health insurance allowance will address the basic problems with Medicaid and make the program work better.

A health insurance allowance is a subsidy payment from the state government to an individual, employer, or insurer, to purchase health insurance. In conjunction with state income tax changes, a tax credit would provide each individual or household a reduction in tax dollars or a tax refund after they purchase health insurance. Alternatively, the states could pay subsidies to individuals, employers, or insurers to purchase health insurance. Our proposal suggests that matching federal dollars should be available through the current Medicaid program to demonstrate the value and workability of such health insurance allowance schemes.

The current gap between all-or-nothing Medicaid eligibility and private insurance coverage can be bridged with a seamless program of support adjusted for income. The concept of "seamless" refers to eliminating the current gap between those who have Medicaid and those who have private coverage. With support on a sliding-scale, the transition from public to private insurance is facilitated for those whose income rises above the threshold for the full health allowance.

In our proposal, states would establish their own health allowance programs. Managed care providers, particularly health maintenance organizations, would bid to participate in the program with payment at a predetermined capitated rate. This capitated rate would be indexed with inflation. The proposed health insurance allowance would be used by beneficiaries to purchase health care coverage from one of a group of state-approved plans. Because of the cost containment benefits, states would be required to offer at least one managed care plan.

- Control Cost Better - The state's costs should be easier to control under a health insurance allowance system, because the state will no longer participate in the open-ended fee-for-service system of health care. In addition, the incentives inherent in prepaid care plans to avoid unnecessary care and to coordinate care lead them to control costs and ensure access.

- Enhance Individual Responsibility - Providing a health insurance allowance directly to individuals gives them greater control over their lives. The state governments will provide the necessary educational information so that individuals will be able to make responsible choices in purchasing health insurance.

Eligibility for the program would be based on income and family size and be independent of other entitlement programs - greatly simplifying the current eligibility rules and thus helping the many Americans now without health insurance. States would reform their eligibility criteria over time; a goal could be for individuals and families with incomes less than 100 percent of the federal poverty level to use the full voucher amount to participate in the contracted plans. Those whose income qualifies them for the sliding-scale voucher amount, would also be able to participate in the state-approved plans, or they could choose to use the credit towards the purchase of their own insurance.

The speed of reform would depend on the capacity of the individual states and their providers to absorb the changes. Each state would control its own pace of change, with the flexibility to suit its own circumstances. An important part of this proposal is that states would move beyond the limited demonstrations of pilot projects that are presently underway.

We propose to establish statewide projects immediately, in order to document the effectiveness of various health insurance allowance programs as well as to identify their weaknesses. The federal role would be one primarily of oversight and providing partial matching funds; the plan would be administered by the individual states. If proven effective on the state level, aspects of the state programs would deserve attention on a national level.

We believe that our proposal addresses many of the problems of Medicaid, because it would do the following:

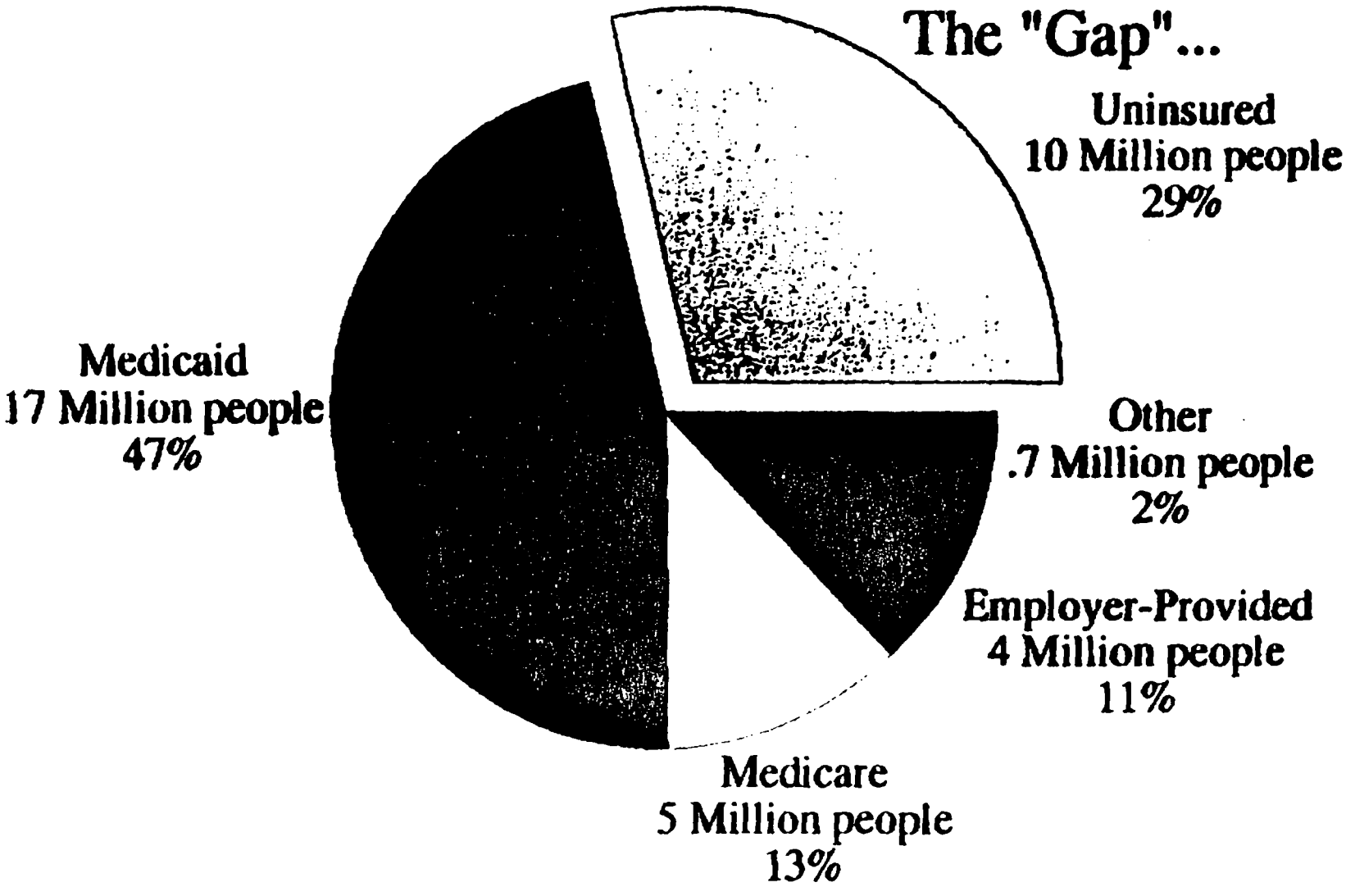
- Expand Eligibility - A system offering the states both flexibility and federal matching dollars for a health insurance allowance to all individuals and families will allow states to eliminate Medicaid's restrictive eligibility categories. The use of a gradually diminishing subsidy -- rather than the present all-or-nothing eligibility -- will make the program available to those needy individuals who are now frequently excluded from Medicaid.

- Improve Access to Care and Offer More Choice to Consumers - Currently, Medicaid beneficiaries cannot use physicians who do not accept Medicaid; because of this, there are significant limitations on choice of care providers. While the individual amount of the state health insurance allowance will determine which plans individuals can buy, their access to care can be contractually required. Also, the insurance allowance will stimulate competition among providers of health care; this should increase choice to Medicaid consumers. Additionally, individuals or their employers have the option to supplement the allowance to buy a more complete insurance policy.

- Offer a Seamless Fabric of Public-to-Private Insurance - The sliding-scale subsidy facilitates movement between public and private support, so that low-income workers whose incomes rise above the threshold for the full health insurance allowance will still qualify for a percentage. This partial allowance could be used in any health insurance which is offered by an employer. The sliding-scale health allowance removes what some would argue is an incentive to staying on welfare -- continued Medicaid coverage -- because health insurance will be available independent of other welfare programs. A family could purchase, with the government's help, the same health care coverage it had when receiving the allowance.

36 Million People Below Poverty Level

Insurance Coverage of Poor, 1991



* Percentages represent share of total population (under poverty level) covered by [illegible] more than 100% because an individual may

Roll Call

July 22, 1993

HEADLINE: Will Rhode Island Send Congress Yet Another Kennedy?

BYLINE: By Charles E. Cook

Anyone who stumbled into the National Democratic Club Tuesday night saw a very unusual sight: House Majority Leader Richard Gephardt (D-Mo) was hosting a $500-per-person fundraiser for a 26-year old Rhode Island state legislator who has not yet announced his candidacy for what could be a contested Democratic primary to oppose Rep. Ron Machtley (R-RI).

Making the scene even more curious was the presence and support of state House Speaker John Harwood (D) and state House Majority Leader George Caruolo (D), both of whom supported Machtley's last serious Democratic challenger, Scott Wolf, in 1990. Wolf still professes to be seriously considering runningfor the seat next year if Machtley runs for governor, as many expect him to do.

That the reception Tuesday night was a big success should be no surprise, given that the honoree was state Rep. Patrick Kennedy (D), son of Sen. Edward Kennedy (D-Mass) and nephew of the late President John F. Kennedy and Sen. Robert F. Kennedy (D-NY). After high school, Kennedy moved to the state from McLean, Va., to attend Providence College. He soon defeated an incumbent Democratic state Representative in 1988 after also winning a delegate slot earlier that year to the Democratic National Convention.

There's no doubt the young Kennedy will be able to raise an enormous amount of money for his campaign and command considerable media attention, but it's unclear what kind of race he will face. A statewide Brown University poll released earlier this week reinforces the view of many that Machtley, who turned 45 years old last week, will not seek re-election and instead make a gubernatorial bid.

In the survey, conducted July 15 to 18 of 422 registered voters, 73-year-old Gov. Bruce Sundlun (D) was given an "excellent" or "good" job rating by just 27 percent of the voters, while 71 percent characterized his job as either "fair" or "poor." Just 25 percent said Sundlun deserved re-election, while 61 percent said he did not.

Kennedy's objectives at this stage are obviously to clear the Democratic primary field of anyone of consequence, then run hard in the general election - which could be anything from a tough campaign against the well-regarded Machtley to a cakewalk open-seat general election in a state with a shallow GOP bench.

Much of Kennedy's trip here seemed designed to force other Democrats out of the race, with the Gephardt endorsement and the backing by the two state Assembly leaders sending a signal that the fix is in, that the party will get behind Kennedy early without waiting to see if anyone else chooses to run. It

may or may not work, but it was certainly an impressive attempt.

Wolf, 40, narrowly missed unseating scandal-plagued House Banking Committee Chairman Fernand St Germain in the 1988 Democratic primary. St Germain in turn lost to Machtley, then an attorney in private practice, in the general election. Two years later, Wolf secured the Democratic nomination to face Machtley but lost, 55 to 45 percent, in the general election.

Wolf, currently Sundlun's Director of Housing, Energy, and Intergovernmental Relations, says he is seriously considering running for the Congressional seat if Machtley does not seek re-election. But with two narrow defeats, he can hardly afford chancing a third loss to Machtley and, as a result, must hold off on a decision.

But Kennedy has no such restraint and is now all but officially running, so Wolf is forced to sit on the sidelines and watch the young scion line up establishment support for his own candidacy, and possibly lock up the nomination in the process.

If Kennedy does challenge Machtley next year, assuming he runs a respectable race, he would still be the first Democrat in line to run again in 1996, when Machtley is likely to run for the Senate. Some Kennedy backers, looking at Patrick's prospects over the next four years, believe he almost has a lock on the seat, one way or the other. Obviously, such statements are predicated on voters not rejecting him on the basis of age, lack of work experience, or the "carpetbagging" issue, which Republicans in the state say they will use, given his short history as a Rhode Islander. But he would hardly be the first member of his family to be ac- cused of any of these sins, with little effect.

If Machtley runs for re-election, expect a very tough and expensive race. The Congressman won decisively last fall with 70 percent of the vote in what was widely seen as both an anti-incumbent year and not a great year for GOP candidates (President Bush received 28 percent in this district, worse than in any other GOP district in the nation save Jack Quinn's 30th district of New York).

On the other hand, given the low public regard for Congress, the strong Democratic voting tendencies of the district, and Kennedy's total name recognition and access to money, Machtley would face the toughest challenge of his career if he seeks re-election.

		YES	NO
55591	Chris Shays DIANA	✓	
	Olympia Snowe		
	Peter Torkildson	✓	
	Fred Upton		
55456	Bill Zeliff ANN	✓	
	Dick Zimmer	✓	

RONALD K. MACHTLEY
1ST DISTRICT, RHODE ISLAND

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Washington, DC 20515

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Date : 8/3

To: KIM TILLEY

From: ROWDY YEATES

Subject: FIRST LADY VISIT

OF PAGES, INCLUDING COVER SHEET 3

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OBRA 1993 NOTE: Review of implementing language not yet complete

TITLE VII 03-Aug-93

PRELIMINARY CBO STAFF ESTIMATE 12:16 PM

Subchapter B – Medicaid Program

Outlays by fiscal year, in millions of dollars	1994	1995	1996	1997	1998	TOTAL
PART I – SERVICES						
13601 Personal care services	0	–850	–980	–1,100	–1,240	–4,170
13602 Modifications to drug rebate program	–23	–53	–68	–64	–74	–282
13603 Optional Medicaid coverage of TB–related services	20	35	45	50	55	205
13604 Limiting federal matching payments to bona fide emergency services	*	*	*	*	*	*
13605 Coverage of nurse–midwife services performed outside of maternity cycle	2	2	2	2	2	10
13606 Treatment of certain clinics as federally qualified health centers	*	1	1	1	1	4
PART II – ELIGIBILITY						
13611 Transfer of assets and treatment of certain trusts	–25	–75	–125	–200	–225	–650
13612 Medicaid estate recoveries	–15	–37	–62	–78	–128	–310
13613 Increased federal matching payments for evaluation of long term care demo	*	*	*	*	*	1
PART III – PAYMENTS						
13621 Payments to DSH hospitals	0	–200	–500	–650	–800	–2,150
13622 Liability of third parties to pay for care and services	a\	a\	a\	a\	a\	a\
13623 Medical child support	0	–15	–20	–20	–25	–80
13624 Application of Medicare rules limiting certain physician referrals	0	–4	–8	–10	–15	–37
13625 State Medicaid fraud control	0	3	3	3	3	12

$ 7430
(Medicaid + Clearinghouse)

OBRA 1993 NOTE: Review of implementing language not yet complete

TITLE VII

PRELIMINARY CBO STAFF ESTIMATE

03-Aug-93
12:16 PM

Subchapter B -- Medicaid Program

Outlays by fiscal year, in millions of dollars	1994	1995	1996	1997	1998	TOTAL
PART IV -- IMMUNIZATIONS						
13631 Medicaid pediatric immunization provisions	6	227	124	114	114	585
13632 National vaccine injury compensation program amendments	1	1	1	1	1	5
PART V -- MISCELLANEOUS						
13641 Increase in limit on Medicaid payments to Puerto Rico and other territories	27	33	40	47	55	202
13642 Extension of moratorium on treatment of certain facilities as IMDs	*	*	*	0	0	*
13643 Demonstration projects	37	17	2	0	0	56
13644 Dayton Area Health plan	0	-1	-1	--	--	-2
TOTAL, SUBCHAPTER B	30	-816	-1,531	-1,904	-2,276	-6,497
Medicaid effects of other provisions b\	0	-58	-100	-180	-200	-538
MEDICAID TOTAL	30	-874	-1631	-2084	-2476	-7,135

NOTES: Totals may not sum due to rounding.

* 200
7/8/30

* Outlays or savings less than $500,000.

a\ The savings shown are the estimated effect of the changes contained in Title VII only. This provision, along with changes to the ERISA found in Title XII would save $200 million to Medicaid over 5 years. Those savings are reflected in the Title XII table.

b\ Other provisions include Medicaid effects of standards for group health plans (third party liability and child support enforcement) and provision relating to Medicare and Medicaid coverage data bank.

Only 85 shd be in Med. title

85 shd be in — 500 → sits off independently

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COMMENTS: _____

_____

DRAFT HOUSE CONFERENCE AGREEMENT – MEDICARE PROVISIONS

08/02/93
02:44 PM

Preliminary CBO Staff Estimate

Outlays by fiscal year, in millions of dollars	1994	1995	1996	1997	1998	Total
PROVISIONS RELATING TO PART A						
Reduce Federal Rate for Capital by 7.4% (equivalent to 10% reduction)	0	0	-357	-456	-585	-1,425
PPS Hospital Update: MB-2.5% in FY94 & FY95; MB-2% in FY96	-1,121	-2,910	-4,624	-5,388	-5,905	-19,947
PPS-Exempt Update at MB-1% in Fiscal Years 1994-1997	-15	-44	-111	-172	-188	-532
Delay Update for SNF Cost Limits for 2 Yrs	-33	-131	-166	-104	-84	-511
Eliminate Return on Equity for SNF	0	0	-110	-120	-130	-360
Hospice Update: MB-1%	-10	-24	-42	-63	-91	-230
Wage Index Hold Harmless	20	0	0	0	0	20
Regional Referral Center Extension	41	2	0	0	0	43
Extension of Regional Floor	120	144	156	20	0	440
Medicare Dependent, Small Rural Hospital Extension	130	8	0	0	0	138
Hemophilia Pass-Through Extension	5	4	1	0	0	10
Credit Towards Part A Coverage for Quarters Paid into Social Security	2	5	8	9	11	36
Part A Subtotal	-862	-2,947	-5,288	-6,304	-6,942	-22,323
PROVISIONS RELATING TO PART B						
Surgical Services: -3.6% in 94; -2.7% in 95	-105	-267	-349	-386	-427	-1,534
Non-Surgeon, Non-Primary Care: -2.6% in 94; -2.7% in 95	-171	-497	-671	-744	-821	-2,905
Reduction in MVPS	0	0	-159	-601	-1,247	-2,011
Practice Expense (Floor at 125%)	-82	-249	-471	-695	-857	-2,054

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To	From
David Abernathy	Lori Housman
Co. N.I.H. Health	Co. CBO
Dept. 57757	Phone # 62820

DRAFT HOUSE CONFERENCE AGREEMENT - MEDICARE PROVISIONS

08/02/93
Preliminary CBO Staff Estimate
03:44 PM

Outlays by fiscal year, in millions of dollars.	1994	1995	1996	1997	1998	Total
Anesthesia Care Team	-27	-58	-85	-118	-146	-429
EKGs	-6	-11	-6	-5	-6	-35
New Physicians	-5	-10	-10	-15	-15	-55
Extra Billing Limits	-8	-12	-11	-10	-9	-50
10% Hospital Cap Reduction	0	0	-128	-150	-174	-452
Cost Based Services in OPDs	0	0	-437	-511	-593	-1,541
Updates for ASCs	-45	-85	-119	-138	-158	-545
IOL Payment Limits	-11	-18	-18	-18	-18	-84
Two Year Clinical Laboratory Freeze	-68	-186	-259	-307	-362	-1,180
Lower Cap for Clinical Laboratories	-63	-163	-345	-582	-722	-1,874
P/EN (Freeze 1994, CPI-1% 1995)	-19	-40	-62	-82	-75	-248
Median Limits for DME	-24	-41	-47	-54	-61	-228
P & O (Freeze 1994, CPI-1% 1995)	-10	-21	-26	-29	-33	-118
Reduction in TENS	-2	-3	-3	-4	-4	-16
Nebulizers/Aspirators	-15	-25	-28	-32	-37	-137
Ostomy Supplies	-10	-15	-20	-23	-26	-97
Alzheimer's Demo	12	2	0	0	0	14
Nurse Midwive Services	*	*	*	*	*	2
Cap on PT/OT Services	4	6	7	9	11	37
Indian Health FQHCs	4	7	8	8	9	36
Municipal Health Demos	12	19	20	22	8	81
Part B Premium a/	0	0	-918	-2,588	-4,480	-7,983
Part B Subtotal	-638	-1,691	-4,132	-6,877	-10,048	-23,378

DRAFT HOUSE CONFERENCE AGREEMENT – MEDICARE PROVISIONS

08/02/93
Preliminary CBO Staff Estimate
03:44 PM
Outlays by fiscal year, in millions of dollars

	1994	1995	1996	1997	1998	Total
PROVISIONS RELATING TO PARTS A and B						
2-Yr GME Frz, Prim Care Hold Harmless	-12	-29	-35	-36	-37	-149
DME: Family Practice/FICA	5	6	6	7	7	29
Eliminate Extra Year of Residency (7/1/96)	0	0	-6	-42	-49	-97
Home Health Add-On	-170	-210	-230	-260	-280	-1,150
Home Health Cost Limits	-91	-211	-534	-841	-918	-1,795
MSP – Data Match	0	0	-45	-120	-205	-370
MSP – Disabled	0	0	-676	-1,285	-1,414	-3,675
MSP – ESRD	0	0	-84	-119	-127	-330
MSP Reforms	-24	-36	-49	-59	-65	-233
MSP – Religous Orders	1	0	0	0	0	1
Physician Self Referral	0	-50	-100	-100	-100	-350
Payment for EPO	-25	-47	-61	-56	-61	-249
Coverage for Immunosuppressives	0	7	23	46	77	154
Social HMOs	2	5	7	8	3	25
Ext of Waiver for Watts Health Foundation	-3	-5	-5	-6	-6	-25
Subtotal Parts A & B	-262	-670	-1,979	-2,663	-2,575	-8,049
MEDICARE TOTAL	-1,760	-5,209	-11,379	-15,844	-19,581	-53,750
a/ Monthly Part B Premiums	$41.10	$46.10	$50.40	$56.10	$62.30	

DRAFT HOUSE CONFERENCE AGREEMENT – MEDICARE PROVISIONS

08/02/93
Preliminary CBO Staff Estimate
03:44 PM

Outlays by fiscal year, in millions of dollars.

	1994	1995	1996	1997	1998	Total
Additional Savings Items						
Hospital Update of MB–0.5% in FY97	0	0	0	–271	–378	–649
Eliminate ROE effective 10/1/94	–90	–100	0	0	0	–190
Hospice Update: MB–2% in FY94, MB–1.5% in FY 95–96, MB–0.5% in FY97	–10	–18	–27	–26	–11	–92
Eliminate Add–on for Hosp–based SNFs	–4	–6	–6	–7	–7	–30
Phase Cap on Clin Labs to 76% over 3 yrs	–22	–62	–116	–50	0	–249
Eliminate Update for P/EN in FY96	0	–9	–15	–18	–20	–62
Eliminate Update for P & O in FY96	0	–6	–10	–13	–14	–44
Incr Floor on Practice Expense to 126.5%	0	6	14	18	20	58
Self–Administration of EPO	–3	–5	–6	–6	–6	–25
Eliminate Extra Year of Residency – 7/1/96	0	–6	–35	–6	0	–47
Hold OB/GYN Harmless under GME Reductic	2	3	4	4	4	17
Extend Appr Language on Claims Pmt	–200	–24	–26	–30	–35	–315
Health Claims ClearingHouse in HHS	0	–44	–109	–237	–263	–653
Part B Premium Interaction b/	0	0	90	50	71	222
Total Additional Savings	–327	–271	–243	–562	–637	–2,059
Aggreement as of July 31, 1993	–1,760	–5,209	–11,379	–15,844	–19,561	–53,750
Grand Total	–2,086	–5,479	–11,622	–16,426	–20,198	–55,809
b/ Monthly Premium ($56.8 Billion)	$41.10	$46.10	$50.10	$56.00	$62.10	

Additional Savings Items

Option 2

Needed to reach $56 b -- $2.~~213~~ 48

1.	Hospital update of M.B. -0.5% in FY 97	-648
2.	Eliminate R.O.E. effective 10/1/94	-190
3.	Hospice updates M.B.-2 in FY 94 and M.B. -1.5 in FYs 95 and 96, and 0.5 in FY 97	-92
4.	Eliminate add-on for hospital-based SNFs	-30
4.	Phase cap on clinical labs to 76% over three years	-249
5.	Eliminate update for P&O, PEN in FY 95	-106
6.	Decrease surgical and non-surgical physician updates by an additional 0.25% in FY 94	-208
7.	Increase floor on practice expenses to 130%, from 125%	+190
8.	Self administraion of EPO	-25
9.	Eliminate extra year of residency effective 7/1/95	-50
10.	Hold OB/GYN harmless under GME update reductions	+25
11.	Extend appropriations language on claims payment	-315
12.	Health claims clearinghouse based in HHS	-650
13.	Part B premium interaction	~~+100~~
	Total additional savings	~~-2048~~

55.8

New updates surgical -3.81 Non-surgical -2.85

N/A

Begins in FY 95 - holds PC harmless 94-95

-2018

-150

2098

55.809

Lila Magaziner's Requested Meeting

WEDNESDAY, AUGUST 3RD, 93 MEETING WITH HILLARY CLINTON at 3:00pm

	YES	NO
Sherwood Boehlert		
Mike Castle		
Bob Franks		
Dean Gallo		
Wayne Gilchrest (Stacey)	✓ (Director at last Minute)	
Fred Grandy		
Jim Greenwood		
Steve Gunderson		
Dave Hobson		
Pete Hoekstra	✓	
Amo Houghton		
Nancy Johnson		
Peter King		
Jim Kolbe		
51906 **Scott Klug** Lisa	✓	
Rick Lazio		
Jim Leach	✓	
Jerry Lewis		
Jim McCrery	✓	
Alex McMillan		
Jan Meyers		
Connie Morella		
John Porter		
53306 **Jack Quinn** Paulette	✓	
Jim Ramstad		
Ralph Regula		
Tom Ridge		

AS OF 11 AM

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		YES	NO
55591	**Chris Shays** DIANA	✓	
	Olympia Snowe		
	Peter Torkildson	✓	
	Fred Upton		
55956	**Bill Zeliff** ANN	✓	
	Dick Zimmer	✓	

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