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001. list	Speaker Profiles, Panel I: Controlling Costs (1 page)	n.d.	b(6)
002. list	Panelist Profiles, Panel I: Controlling Costs [partial] (2 pages)	n.d.	b(6)
003. list	Speaker Profiles, Panel III: Peace of Mind [partial] (1 page)	n.d.	b(6)
004. list	Panelist Profiles, Panel II: Peace of Mind [partial] (1 page)	n.d.	b(6)

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Robert Wood Johnson Foundation, Detroit Michigan March 1993 [binder]

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RWJ

Detroit,
MI

March '93

CONVERSATIONS ON HEALTH
The Robert Wood Johnson Foundation
Detroit, MI
Monday, March 22, 1993

TABLE OF CONTENTS

PANEL 2 - PEACE OF MIND (Continued)

Conversations on Health: A Dialogue with the American People
The Robert Wood Johnson Foundation
Dearborn, Michigan
Monday, March 22, 1993

10:00am Welcome and Opening Remarks -- Steven A Schroeder, M.D., President RWJ

10:20am Opening Remarks – Mrs. Clinton

PART I – CONTROLLING COSTS

10:30am
- Andrea Hayoub-Welborn, Warren, MI
- Frederico G. Mariona, M.D., Southfield, MI
- James Sparks, Muskegon, MI

10:50am Discussion

11:40am BREAK

PART II – PEACE OF MIND

11:50am
- Lisa Brown, Iron River, MI
- Jannet Edison, R.N., Detroit, MI
- Stephanie Michrina, Metamora, MI
- Giles Bole M.D., Ann Arbor, MI

12:10pm Discussion

1:05pm LUNCH

Box Lunches can be picked up in hallway outside of room.

PART III – CHALLENGES FACING INDUSTRIAL REGIONS

1:55pm *TOPIC A: KEEPING LARGE BUSINESS COMPETITIVE*
- Peter Pestillo, Grosse Point Farms, MI
- William Hoffman, Ph. D., Detroit, MI

2:10pm Discussion

2:35pm	*TOPIC B: CHALLENGES FACING CITIES*
	• Cynthia Taueg, Detroit, MI
2:40pm	Discussion
3:00pm	*TOPIC C: KEEPING SMALL BUSINESS GOING*
	• Bonnie Dellinger, Bloomfield Hills, MI
3:05pm	Discussion
3:25pm	Closing Remarks by Mrs. Clinton and Dr. Schroeder
3:50pm	Adjourn

HEALTH CARE TALKING POINTS

Summary

- Americans are getting killed by skyrocketing health care costs. What you're charged for health care is rising four times faster than your wages. That doesn't make sense -- and it threatens your family's future and the future of every business, large and small.

- President Clinton is committed to fundamentally reforming our nation's health care system. The Clinton plan will control your health care costs and provide security to every American family. We will preserve what is best in the American system -- the highest quality medical care in the world and the individual's right to choose a doctor.

- Within days of taking office, President Clinton established the Task Force on National Health Care Reform, chaired by First Lady Hillary Rodham Clinton, to develop a comprehensive health care reform proposal. Hundreds of health care experts -- doctors, nurses, professors and businesspeople -- have been brought in from around the country to work with officials from government agencies and White House staff in a series of policy working groups that have been set up to advise the Task Force. In addition, diverse panels of consumers and health care professionals will be brought in regularly to advise the working groups as they develop their recommendations.

- Powerful lobbies and special interests are already lining up to defeat any plan we develop. They oppose change because they profit from the waste and inefficiency of today's system. But we are committed to breaking the gridlock.

- The American people demand and deserve change now. Washington can delay no longer. Interest groups can obstruct us no longer. Without immediate reform, the annual cost of health care for American families will more than double by the end of the decade -- to a whopping $14,000 per family -- while workers will lose an anticipated $650 increase in their incomes.

- It won't be easy and it won't happen overnight. But we will stand with you and take on the special interests. No American will feel secure again unless we bring health care costs under control now -- and make it possible for your family to get ahead again.

Goals

The Clinton health reform proposal will:

- Control the rapid spiralling of your health care costs.
- Provide security and peace of mind, so that you don't have to worry about losing your insurance when you change jobs or being denied coverage because you're sick.
- Root out fraud and overcharges.
- Simplify the system and reduce paperwork.
- Maintain the highest quality medical care in the world and preserve your health care choices.

STATEMENT OF PURPOSE

As the largest philanthropy in the nation devoted exclusively to supporting projects in health care, The Robert Wood Johnson Foundation has been involved over the past 20 years in seeking to improve the health and health care of all Americans, committing more than $1.3 billion during that period.

We come to these sessions with no preconceived notions on solutions (indeed, it would be premature to focus on solutions today) and with no illusions that the problems are simple ones or will have simple solutions. The Foundation's sole objective in these next few weeks is education: of ourselves, our policymakers at all levels of responsibility, and, most importantly, the American people.

If the experience of the Foundation over the last 20 years has taught us anything, it is that the problems facing the American health care system can best be addressed by a fully informed citizenry determined to work together to see that the wonders of American medicine, the envy of the world, are available to all.

OPENING REMARKS
Robert Wood Johnson's Conversations on Health
Detroit, MI
March 22, 1993

- I would like to begin by thanking the Robert Wood Johnson Foundation for inviting me to participate in this forum. For over twenty years, the Robert Wood Johnson Foundation has provided leadership and vision on the crucial issue of health care reform.

- Today, they have provided a wonderful opportunity for all of us to gather around one table and talk to each other: about our concerns, our fears, our ideas and our hopes for the health care system of the future. With your help and advice, we will work together to provide a solution to the crisis in America's health care system that has been Robert Wood Johnson's goal for the last two decades.

- I am very happy to be in Michigan today, listening to your stories. I also wish to thank Senator Don Riegle and Senator Carl Levin, Congressman John Dingell -- who's kind enough to host us in his district today -- and Governor John Engler.

- Comments about Florida/Iowa hearings: how they went, a story, etc...

- The American people want fundamental health care reform. The question is not whether we will have health reform this year. We will have health reform this year. The American people demand it and deserve it.

  The question is how to change the system so that it works for all Americans. And this is where we need your suggestions, your ideas, and, most importantly, your help.

- Groups that have opposed health care reform for years have finally agreed that our health care system needs fixing now. In the past few weeks, the American Medical Association and the Chamber of Commerce has announced their support for change.

- The time for more talk and more studies is over -- the time for action is now. We must act -- to control soaring health care costs and provide security to every American family.

OPENING REMARKS (Continued)
Robert Wood Johnson's Conversations on Health
Detroit, MI
March 22, 1993

- Without action now:
  - every Michigan family will see their health care costs double -- to over $9,000 by the year 2000.
  - the cost of health care per car for U.S. manufacturers, which was $1,086 in 1990 and only $552 for Japanese auto makers, will continue to climb -- further hurting our country's competitiveness.
  - spending on health by businesses, which rose 62 percent from 1985 to 1990, will continue to rise.
  - every small business in Michigan will continue to see their premiums jump 20 and 30 percent each year.
  - health will continue to be the major issue in labor negotiations just as it was in 83% percent in 1990.
- We have been working day and night over the last few months on possible solutions to this national crisis. We have met with over 300 groups -- representing doctors, nurses, social workers and small businesses. We have received and read 30,000 pieces of mail. I have traveled to cities and towns across the country to talk about health care.
- And now I look forward to the opportunity to hear from you -- the American people. You are the reason we are all here. It is you who must guide this process -- because it is your future and the future of your families which is at stake.

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

PART I: CONTROLLING COSTS

SPEAKERS

Andrea Hayosh-Welborn
Dental Hygienist
Warren, Michigan

Federico G. Mariona, M.D.
Chairman
Michigan Section ACOG
Providence Hospital
Southfield, Michigan

James Sparks
Muskegon, Michigan

PANELISTS

Delores F. Baker, M.D.
Associate Medical Director
Comprehensive Health Services, Inc.
Detroit, Michigan

Frank Garrison
President
Michigan AFL-CIO
Lansing, Michigan

Judy Gula
President
Michigan Home Health Association
Sterling Heights, Michigan

Linda Jolicoeur
President
Target Equipment Leasing, Inc.
Southfield, Michigan

Walter Maher
Director of Federal Relations
Chrysler Corporation
Washington, DC

Patricia Meade, R.N.
Coordinator
Teen Health Clinic
Detroit, Michigan

Marjorie J. Mitchell
Chair
Michigan Universal Health Care Access Network
Lansing, Michigan

Mark Novitch, M.D.
Vice Chairman
The Upjohn Company
Kalamazoo, Michigan

Thomas C. Payne, M.D.
President
Michigan State Medical Society
East Lansing, Michigan

Deborah Russell
Kalamazoo, Michigan

Jane Sauvie
Saginaw, Michigan

Gail Warden
President and CEO
Henry Ford Health Services
Detroit, Michigan

SPEAKER PROFILES

PANEL I: CONTROLLING COSTS

Andrea Hayosh-Welborn, Dental Hygienist, Warren, Michigan

Andrea Hayosh-Welborn graduated from dental hygiene school ten years ago and has worked at the same office ever since. Her insurance costs are not fully covered by her employer, and her husband, a small business owner, has a policy which covers only him. As a result, she purchases insurance for herself and her 6-year old son. She has seen her premiums rise an average of twelve to fifteen percent every six months, and in an effort to limit her costs, she was recently forced to change carriers and is continuing to look for more affordable insurance.

Dr. Federico Mariona, Chairman, Department of OB/GYN, Providence Hospital

Dr. Federico Mariona was recently named Chairman of Department of Obstetrics and Gynecology at Providence Hospital in Southfield, Michigan. He was previously a professor of OB/GYN at Wayne State University, in Detroit. Mariona has received many grants to study a variety of issues, ranging from preterm birth prevention to attempting to identify mothers who are likely to give birth to premature infants.

A native of Argentina, Dr. Mariona has been in the Detroit area since 1968. He will address the issues and costs that face physicians in the practice of defensive medicine.

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PANELIST PROFILES

PANEL I: CONTROLLING COSTS

Delores F. Baker, M.D., Associate Medical Director and Chief, Department of OB/GYN, The Wellness Plan

The Wellness Plan is a Detroit-based health maintenance organization, providing care primarily to Medicaid-eligible, African American women of childbearing age and their children. Dr. Delores Baker serves the organization in both administrative and clinical capacities. The program has received a $1 million grant from the State of Michigan to develop a demonstration program designed to increase access to pre-natal and post-natal services. Dr. Baker received her M.D. from the University of Colorado and completed her internship and residency at Detroit's Sinai Hospital.

Frank Garrison, President, Michigan AFL-CIO

Frank Garrison has been involved in the Michigan labor movement for over 35 years, starting as a committeeman for his UAW local in Saginaw to now representing more than 650,000 workers as president of the state federation. He has held a wide range of posts including executive director of the Michigan UAW Community Action Program. He is vice chair of Blue Cross/Blue Shield of Michigan and has served on numerous boards including the Governor's Council on Human Investment and the executive committee of the Democratic National Committee.

Judith Gula, Executive Administrator, Community Home Care

Judith Gula is the Executive Administrator of Community Home Care, a division of Medco Health Care Services, Inc. Working in conjunction with the state and national home health care industry associations, she focuses on promoting a unified voice for home care, assuring the delivery of quality patient care and assuring that home care is a critical component in health care reform. She is the current president of the Michigan Home Health Association and a member of the Board of Directors of the Michigan Foundation for Home Care.

Ms. Gula, a Michigan native, has a bachelor's degree in nursing from Mercy College and is currently pursuing a Masters in Health Care Administration. She has over 20 years experience with community health and home care issues.

Panel One Profiles, Page Two

Linda Jolicoeur, President and Owner, Target Equipment Leasing, Inc.

Linda Jolicoeur runs Target Equipment Leasing, a small business with eight employees. Ms. Jolicouer has struggled to find and afford insurance that covers all of her employees, including those with pre-existing conditions. Her husband recovered from Hodgkins disease over 22 years ago. Jolicoeur is active in several professional organizations including the Michigan Chapter of Women in Equipment Leasing. She is a member of the Board of Directors of the local chapter of The National Association of Women Business Owners and serves on their national Health Care Committee.

Walter Maher, Director, Federal Relations, Chrysler

Walter B. Maher is the Director of Federal Relations for Chrysler Corporation. He joined Chrysler in 1963 and has held a number of positions in the corporation including Director of Employee Benefits for nearly ten years. He is a member of the Board of Directors of the Washington Business Group on Health and is actively involved with the National Leadership Coalition for Health Care Reform. He served as a Commissioner on the Physician Payment Review Commission from 1989 to 1992, was co-chair of the Governor's Task Force on Access to Health Care for the state of Michigan and a member of the Institute of Medicine's Council on Health Care Technology.

Patricia A. Meade, Coordinator, Hutchins Middle School Teen Health Center

Patricia Meade is a Master's level nurse who is responsible for a teen health clinic based in Detroit's Hutchins Middle School. Her work has brought her into contact with health and social problems facing inner city youth, including adolescents' lack of access to basic preventive care and the growth of violent behavior among young girls.

Ms. Meade is a member of the American Public Health Association, the Michigan Nurses Association, and the Detroit Black Caucus of Health Workers. She is also a lieutenant in the U.S. Army Reserve, Army Nurse Corps.

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Majorie Mitchell, Executive Director, Association for Retarded Citizens/Michigan

As Executive Director of the Association for Retarded Citizens of Michigan, Marjorie Mitchell oversees a network of chapters which promote the concerns of the disabled through various advocacy, education and monitoring activities. Additionally, Mitchell is the chair of the Michigan Universal Health Care Access Network (MichUHcan), a coalition of diverse interest groups representing senior citizens, disability groups, women's and religious issues, unions and citizens. MichUHcan supports health policies that improve access, control costs and ensure quality care to all individuals.

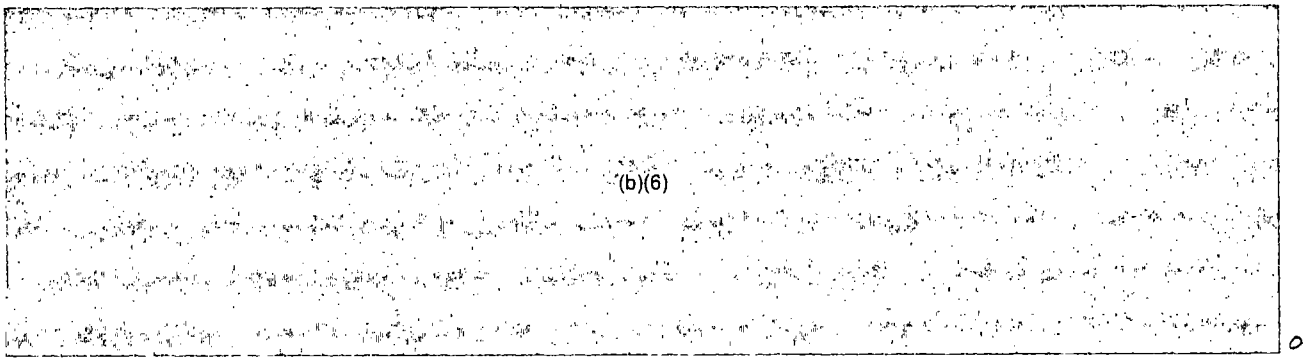
Mark Novitch, M.D., Vice Chairman, Upjohn Corporation

Dr. Mark Novitch, as Vice Chairman of the Board of Upjohn, is responsible for a number of divisions of the Kalamazoo-based pharmaceutical firm. He oversees pharmaceutical control, regulatory affairs, strategy and public relations. Prior to joining Upjohn in 1985, he was in the Food and Drug Administration, serving in numerous capacities including Acting Commissioner from September 1983 to July 1984.

Thomas C. Payne, MD, President, Michigan State Medical Society

Thomas C. Payne is a radiologist from Lansing. His group practice serves several hospitals in the mid-Michigan area. He currently serves as the President of the Michigan State Medical Society, an 11,500 member organization of Michigan physicians. As President of the Society, Dr. Payne has been a leading spokesman on the issue of physician-assisted suicide and has launched and led a campaign to promote physician awareness and understanding of domestic violence.

Deborah Russell, Parent Advocate and consumer



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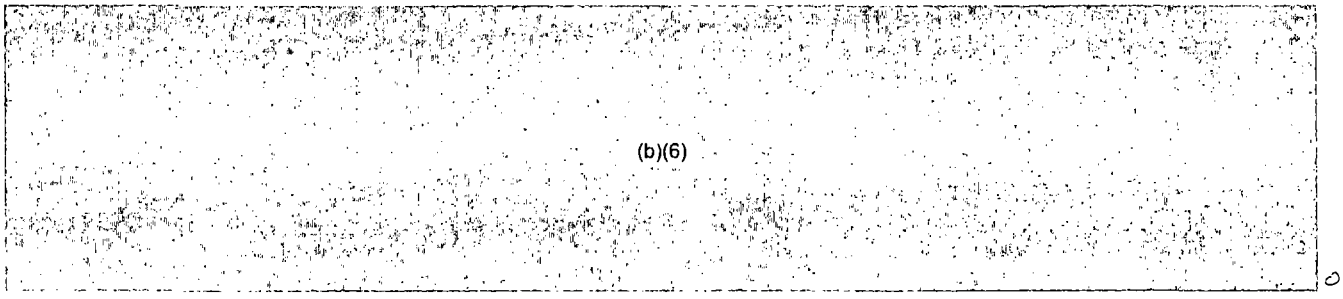
Jane Sauvie, Saginaw, Michigan



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Gail Warden, President/CEO, Henry Ford Health System

Mr. Warden is the President and CEO of the Henry Ford Health System, the largest health system in the Detroit area. He also directs the Henry Ford Medical Group, an 800-member multispecialty physician group practice with a 35-site ambulatory care network which records nearly 3 million outpatient visits annually. He oversees the Henry Ford, Cottage and Wyandote Hospitals, two nursing homes, and the Maplegrove Substance Abuse Treatment Facility. Among his accomplishments are the introduction of a regional planning process, instrumental in responding to changes in the environment and guiding resource allocations. He was also involved in creating a joint venture between Henry Ford and Mercy Health Services to optimize health care services delivery to residents of Detroit's tri-county area.

HEALTH CARE COSTS

Message: Urgency. It is important to stress what these costs mean for American families and business; the consequences of inaction; and why we must act now.

COSTS TO FAMILIES

- **American families** are getting killed by skyrocketing health care costs.
  - Health care spending per capita has skyrocketed from $1,063 in 1980 to $3,160 in 1992 -- a 197% increase. [CRS based on HCFA and Bureau of Economic Analysis]
  - During the last decade, a typical Michigan family's health payments rose 257 percent faster than wages. [Democratic Policy Committee]

COST TO BUSINESS

- **Small businesses** are hit proportionally harder by these rising costs than are large businesses. **Small business** premiums are high to begin with and drastically increase if one employee falls ill.
  - Small businesses have experienced annual health benefit cost increases of 20 to 50% recently. In 1991, one-third of small business owners experienced health care cost increases of more than 25%. [Washington Post, 1/26/93, Arthur Andersen, 7/92]
- **Large businesses** suffer too under added costs to their products.
  - American Telephone and Telegraph spends $3 million a day on employee health benefits. [Christian Science Monitor, 11/21/91]
  - For the first time in American history, health care costs exceed business after-tax profits. [Health Care Finance Review, Winter 1991]
  - Health benefits consume 8% of payroll today. Left unchecked, they will consume as much as 17% by the end of the decade. [Karen Davis, Johns Hopkins University, 1992]

THE CONSEQUENCES OF INACTION/WHY WE MUST ACT NOW

- **Families:** Rising at four times the rate of wages, health care costs threaten to bankrupt the families of this nation. **We must act now** to free American families from the burden of health care costs.

  - Without reform, experts estimate that the annual cost of health care for an American family will more than double by the end of the decade -- to a whopping 14,000 per family -- while workers lose an annual $655 in income. [Families USA and OMB]

  - In 1980, a typical Michigan family spent $1,879 on all its health care. In 1991, the same family spent over $4,569 and, by the year 2000, it can expect to spend over $100,000 -- a 435% increase from 1980! [Democratic Policy Committee]

- **Jobs:** These costs are passed on to consumers stagnating the economy, slowing job growth and hurting our ability to compete and win.

  - Failure to adopt a cost-control strategy could result in the loss of 1.5 million jobs over the next five years. [Ken Thorpe, University of North Carolina, 8/92]

- **Business/Workers:** If health care costs and wages continue to increase at their current rates, a worker's salary will soon seem like a fringe benefit to his/her main source of compensation -- health care insurance.

  - In 1980, Michigan businesses spent over $3.8 billion on health care. By 1991, this number had increased by more than 175% to over $10.6 billion and is expected to reach over $21 billion by the year 2000 -- a 450% increase from 1980! [Democratic Policy Committee]

  - Some estimate that, by the year 2000, the average employer could be paying $20,000 a year for each employee's health benefits. [A. Foster Higgins cited in Christian Science Monitor]

  - Workers have lost 58 percent of wage increases since 1980, and will lose 100 percent in coming years, because of rising health benefit costs for employers. [Henry Aaron, Brookings Institution, 1992; President's Advisory Council on Social Security, 12/91]

WHY THE NATION IS CONCERNED

Theme 1:

The continued rise in U.S. health care costs is the biggest factor motivating health care reform. High health care costs threaten everyone, including:

a. Workers who must pay more out-of-pocket or who have lost family coverage

If health cost inflation is not brought under control, Americans will be devoting more than $1 of every $6 they earn to health care by the year 2000.

Working families could have increased their personal savings by nearly $12,000 from 1980 to 1992, if health care cost inflation had been held to the economy-wide level.

More and more employers have dropped coverage for dependents in an effort to reduce their costs. From 1982 to 1988 the proportion of medium- and large-sized employers paying the full costs of dependent coverage fell 25%.

b. Workers afraid to change jobs and lose coverage and

Entrepreneurs afraid to strike out on their own, unable to obtain coverage

One in five Americans say they or a family member are locked in their jobs because new work offers limited or no health insurance.

c. Retirees seeing their health benefits cut back or eliminated

If current trends continue, the Medicare trust fund is projected to be exhausted in the year 2002.

At least two dozen U.S. companies have abandoned health benefits for at least some of their retirees.

Two-thirds of employers have made changes to their retiree medical plan in the last two years or intend to make changes by 1993. The most common changes are raising retiree contributions (47% of employers making or intending to make change), increasing cost sharing (40%), and tightening eligibility requirements (21%).

d. People with serious diseases like AIDS who see their health benefits disappear

e. The elderly who are today paying as much -- or more -- for health care out-of-pocket than before Medicare

f. Businesses who see profits and U.S. competitiveness threatened

g. Labor unions who see potential wage increases eaten up by rising health benefits costs

From 1986 to 1992, total real compensation (wages and fringes) of American workers was constant. Actually, wages and salaries fell, but the rising cost of fringe benefits made up the difference.

h. And the traditionally vulnerable groups, the poor and uninsured

The number of uninsured Americans increased by 50 percent between 1980 and 1991 (from 24 million to 35 million people).

In 1991, 85% of the uninsured were employed or dependents of workers; only 15% were unemployed or not in the labor force.

More than half (53%) of all people in poverty are not covered by Medicaid.

Theme 2:

Health care costs government a lot, too.
-- federal, state, and local

Without significant health care reform, U.S. health expenditures are expected to top one trillion dollars by 1995 -- over $4,000 for every American.

In 1990, the United States spent $2,566 per capita on health care, compared to $1,770 spent by Canada, $1,486 spent by Germany, and $972 spent by the U.K. Health outcomes in the U.S. were at best comparable to those in other countries.

States spent an average of 13.6% of their total budgets on Medicaid in 1991.

Of 1991's health care expenditures, 38% went to hospitals; 19% to doctors; and 8% to drugs.

Between 1982 to 1989, physician income, adjusted for inflation, rose by 23%, compared to a 9% increase for all full-time male workers. Average physician income in 1990 was $164,000. Average income of surgeons was $236,000, compared to $103,000 for general practitioners.

Theme 3:

Rising health care costs impose tradeoffs on society.

> ***more money spent on health care means less for education, new jobs creation, the environment, or higher salaries***

If health care reform had been enacted in 1980, and cost containment achieved, the dollars we would have saved in 1992 could have:

Hired over 7 million public school teachers

-or-

Almost totally eliminated the amount added to the federal debt in 1992.

In the last decade, state spending fell for elementary, secondary, and higher education, welfare, and highways -- while rising 40% for health care.

Theme 4:

The "costs" problem depends on your perspective

> ***to policymakers it's the nation's nearly one trillion dollar annual health care bill***

> ***to the poor elderly, it's having to choose between buying medications and food***

> ***to physicians and hospitals, it has become a paperwork nightmare.***

When asked to list the top two problems in their respective countries' health care systems, more than half of the U.S. doctors (55%) mentioned access to care. In Germany and Canada, few did (5% and 1%).

More than 5 million Americans 55 and older say that they have to choose between buying food and paying for medication.

Almost half (44%) of physicians would be willing to forego 15% of their fees if delays or disputes in processing insurance forms were significantly reduced.

Theme 5:

The health care system itself poses implicit and explicit tradeoffs

> ***more high-tech care versus improvements in basic care or prevention***

> ***more affluent, better insured groups now receive more care than the poor and uninsured***

HIGH TECH

In 1991, the U.S. had four times as many magnetic resonance imaging (MRI) machines per million people than in the former West Germany, and seven times as many as in Canada.

PREVENTION

Only about half of all employer-based health insurance plans cover childhood immunizations.

Every dollar spent on measles immunization saves $11.90 in later medical costs.

Every dollar spent on prenatal care saves three dollars in health care costs.

Every dollar spent on smoking cessation saves $15.26 dollars over a working lifetime.

Theme 6:

The conclusion is that the problems are so widespread that fundamental reforms are needed to control costs.

Only 6% of the general public, 23% of physicians and 9% of corporate executives believe that only minor changes are needed to improve the U.S. health care system. An overwhelming majority believe that fundamental changes are needed.

Theme 7:

While we may need an overall management framework to control health costs, micromanagement approaches -- like multiple levels of claims review and excessive paper work -- may actually increase costs.

In many states, it costs physicians more to bill Medicaid than they receive back in payment for their services.

In 1987, insurers' administrative costs were twice as high in the U.S. as in Canada or the U.K. (5% of U.S. health spending, vs. 2.5% elsewhere).

Theme 8:

Costs-access-quality are intertwined.

INTERNAL MOMENTUM

Theme 9:

Our current health care system has its own momentum: training physician specialists or building and equipping huge medical centers virtually guarantees these capacities will be used.

In 1990, over 900 hospitals offered open heart surgery. One fourth of those hospitals do less than 50 Medicare cases per year; 200 cases is considered a minimum in insuring quality. (Medicare cases are usually about half the total)

35 cities had more than 5 hospitals performing open heart surgery.

Only 15% of senior medical students indicate a preference for a generalist physician career (1992).

70% of U.S. physicians are specialists.

Theme 10:

Recent studies indicate that American health care costs more than care delivered in European countries not only because we provide more services, but also because our "inputs," wages and prices, are higher.

Theme 11:

One central element of efforts to reduce costs is a commitment to rethink the types of physicians being trained. Over two-thirds of new physicians are specialists even though all evidence suggests we currently have too many specialists. Experience also shows that specialists charge more and prescribe more tests and procedures.

For every 100,000 Americans, we may spend at least $810,000 in unnecessary coronary artery surgery annually.

For every unnecessary bypass surgery -- at about $30,000 each -- we could pay instead for two full-time home health aides for a year.

EFFECTS ON HEALTH CARE DELIVERY

Theme 12:

Cost control will require changes in health care delivery not just the payment system, like

> ***fewer questionable surgical procedures***

> ***fewer complex diagnostic procedures***

> ***more generic drugs***

Nearly three-fourths of prescription drug expenditures (73%) are paid out-of-pocket.

In fact, reducing unnecessary care is the least "painful" path to cost reductions.

One commonly-cited source of unnecessary care is "defensive medicine" -- excessive ordering of tests and procedures by physicians in an effort to fend off malpractice suits. In fact,

> physicians' perceptions of the risk of being sued are about 30 times higher than the actual risk

> still, in response to this exaggerated perception, in the last 10 years, 90% of physicians have increased their time doing paperwork, and over 80% have increased the number of tests and procedures ordered

Theme 13:

Health care providers should have incentives to organize medical care in efficient delivery systems. The burden of inefficiency, fraud, and abuse should not be borne by taxpayers.

Physicians affiliated with managed care (employed by an HMO or employed by a physician group or other organization that contracts with an HMO, IPA, PPO) are more likely to report feeling that they could hospitalize patients, keep patients in the hospital, and order tests and procedures than physicians working in other settings.

Overall, affiliation with managed care has not caused many physicians to be unhappy with medicine as a career or to feel that they cannot practice quality medicine.

HMO physicians are least likely (71%) to believe they have the freedom to care for patients unable to afford fees, and physicians in managed care settings somewhat less likely than physicians not in managed care to believe they had this freedom.

Theme 14:

Fraud, waste, and abuse should be discouraged, but rooting them out won't generate enough money to fund a national health plan.

* 10% of non-elderly Michiganders are uninsured, compared to a national average of 17%.

* In 1990, Medicaid expenditures accounted for 14% of Michigan's total state expenditures.

* Michigan Medicaid costs grew 127% between 1981 and 1991. Health care costs for state employees grew 269%, and over 800% for school employees.

BROAD QUESTIONS

* What proportion of our national economy do we want to spend on health care?

* How much health care is "too much"? Is "too much" a function of the dollars spent or the kinds of services they are spent on?

* If we're spending too much, what are we willing to give up?

* What would providers be willing to trade off, in order to be relieved of some of their paperwork burden? (The "Hassle Factor")

* As the U.S. economy shifts away from heavy industry to smaller, information-age employers, does employment-based insurance still make sense? Is it the most affordable and efficient way to provide coverage?

* Does the amount of effort required to review all health service charges and eligibility and covered services save enough to warrant the resources needed to do it? Would a more selective approach that required review only for "high ticket" items (ie. surgery, long-term care) result in overall savings?

NARROW QUESTIONS

* Should we revitalize the public health infrastructure as part of health care reform?

* How much professional staff time is devoted to documentation, rather than patient care? In the nursing home? In the hospital? In the doctor's office?

* Are teaching hospitals' higher costs -- attributed to the expense of training residents, etc. -- justified, when we may have too many specialists already?

* Would it make sense to put Medicaid on a sliding income-based scale -- rather than all-or-nothing -- in order to try to reverse incentives not to work?

* People with disability insurance can lose benefits if they return to work. Can we change these "perverse incentives" under health care reform?

* Should health care reform include incentives for healthy lifestyles -- not smoking, wearing seatbelts, obtaining preventive services?

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Divider Title: _____

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

PART II: PEACE OF MIND

SPEAKERS

Lisa Brown
Iron River, Michigan

Jannet Edison, R.N.
Emergency Room Nurse
Detroit Receiving Hospital
Detroit, Michigan

Stephanie Michrina
Metamora, Michigan

Giles Bole, M.D.
Dean, Medical School
University of Michigan
Ann Arbor, Michigan

PANELISTS

Susan Adelman, M.D.
Pediatric Surgeon
East Lansing, Michigan

Vernice Davis Anthony
Director
Michigan Department of Public Health
Lansing, Michigan

Sandra Bruce
President and CEO
Mercy Community Health Care System
Muskegon, Michigan

Penny Crawley
Executive Director
Michigan Council for Independent Living
Lansing, Michigan

Deborah Cummings, ACSW
Director of Social Work and Discharge Planning
McLaren Regional Medical Center
Flint, Michigan

Yvette Holloway
Owner
HSS Employees Unlimited
Flint, Michigan

Ron Nelson, P.A.
President
Health Services Associates
White Cloud, Michigan

Luann Eichler Nunnelly
Trenton, Michigan

Richard F. O'Brien
Vice President, Corporate Personnel
General Motors Corporation
Detroit, Michigan

Paul Policicchio
President
Local 79, Service Employees
International Union
Detroit, Michigan

Earl Rudner, M.D.
Southfield, Michigan

James Walworth
President
Health Alliance Plan
Detroit, Michigan

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. list	Speaker Profiles, Panel III: Peace of Mind [partial] (1 page)	n.d.	b(6)

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SPEAKER PROFILES

PANEL II: PEACE OF MIND

Lisa Brown, Iron River, Michigan

As a resident of a small rural community, Lisa Brown has experienced difficulty obtaining basic primary and pediatric care for herself and her family. The mother of two children, one with special health care needs, Brown often has to drive at least 90 miles to receive needed medical care. The only realistic alternative for Brown and other community residents when they need basic care is the local emergency room since, with only three doctors in town, residents often confront significant backlog when attempting regular office visits.

Brown lives in the small town of Iron River on the Upper Peninsula of Michigan with her two children, one of whom requires specialized eye care.

Stephanie Michrina, High School student

(b)(6)

003

Jannet Edison, RN, Detroit Receiving

Jannet Edison has been an Emergency Room nurse at Detroit Receiving Hospital since she completed her nursing school studies in 1989. Ms. Edison will detail the costs and consequences of treating the numerous patients forced to use emergency rooms as their only source for primary care. Detroit Receiving treats patients with and without insurance, serving all income levels.

Giles G. Bole, M.D., Dean, University of Michigan Medical School

Dr. Giles Bole has been the Dean of the University of Michigan Medical School since 1990. He has been a professor of Internal Medicine as well as Chief of the Rheumatology Division and held a variety of other administrative posts at the Medical School. He has been affiliated with the University for over forty years, attending as an undergraduate and medical student and subsequently joining the faculty in 1959. Dr. Bole has served on many national and state boards and professional societies, particularly relating to rheumatism and arthritis.

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FOLDER TITLE:
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PANELIST PROFILES

PANEL II: PEACE OF MIND

Susan Hershberg Adelman, MD

Susan Hershberg Adelman is a pediatric surgeon in private practice, with appointments at Children's Hospital of Michigan in Detroit and Oakwood Hospital in Dearborn. She is a past President of the Michigan State Medical Society and Wayne County Medical Society and a current member of the American Medical Association's Council on Medical Services. Dr. Adelman is a co-founder of the Jeffries Community Health Center for women in Detroit and a former member of the Steering Committee for the Michigan Medicaid Program's Physician Primary Sponsor Plan.

Sandra Bruce, President/CEO, Mercy Community Health Care System, Muskegon, Michigan

Ms. Bruce is the President and CEO of the Mercy Community Health Care System in Muskgegon. The Mercy Community Health Care System includes a 193-bed acute care hospital with tertiary services, a home health care agency, a rehabilitation company, a managed care entity, two retail pharmacies, and a rural health clinic. In her capacity as the leader of the Mercy Community Health Care System, Ms. Bruce devotes much of her time to the development and delivery of services to at-risk women including community education and clinical care.

Penny Crawley, Executive Director, Michigan Council for Independent Living

Penny Crawley is the Executive Director of the Council for Independent Living, a non-profit agency established to facilitate the unity and empowerment of people with various disabilities. Crawley brings both her professional expertise and personal

(b)(6)

Deborah Cummings, ACSW, Director of Social Work and Discharge Planning, McLaren Regional Medical Center

Deborah Cummings supervises social work and discharge planning for the McLaren Regional Medical Center in Flint, Michigan. She has worked in numerous settings including a social services agency, a public school, and a public hospital. Ms. Cummings served as President of the Michigan chapter of the National Association of Social Workers and was NASW's Social Worker of the Year in 1987.

Vernice Davis Anthony, Director, Michigan Department of Public Health

Ms. Anthony is currently the director of Michigan's public health department. Before coming to this position, she served as the Assistant County Executive for Health and Community Services for Wayne County, where she developed model programs for infant mortality and indigent health care. Ms. Anthony, a registered nurse, has served in various administrative capacities at the local and state level, ranging from Chief of the Office of Policy Development and Evaluation for the Michigan Department of Public Health to serving on the National Advisory Council on Maternal, Infant and Fetal Nutrition.

Yvette Holloway, President and Owner, HSS Employees Unlimited

Ms. Holloway began a contract employment service business ten years ago with only one employee, herself. She has since expanded into new areas and employed approximately 220 people last year. She currently employs 60 people per week, although only 3 people receive health care benefits through her company. Because of increasing costs and the discontinuation of a state subsidized program, Holloway has been forced to offer employees either health coverage or a salary raise.

Ronald Nelson, P.A., Owner/President, Health Services Associates

Ron Nelson is a physician's assistant who both sees patients and assists communities in developing models for delivering primary care using non-physician providers. He maintains staff privileges at several Michigan hospitals and has served as an instructor and guest lecturer for several physicians' associates programs. Nelson is a past President of the American Academy of Physician's Associates.

Luann Eichler Nunnelly

Luann's sister Cheryl Eichler, a sufferer of Chron's disease, was a full-time employee at a convenience store, which did not offer health insurance. Cheryl had shopped around to try to purchase her own insurance, but was unable to afford any on her $12,000 salary. Because she had a job and a car, she was ineligible for Medicaid, and, in 1989, she was forced to resign from her job. Cheryl died in 1989 due to complications with Chron's disease, a disease with which many people are able to live, provided they receive appropriate medical care.

Luann Nunnelly is an employee of the city of Wyandotte. She and her three children have health insurance through her husband Robert's job at Seaway Hospital.

Richard F. O'Brien, Vice President, Corporate Personnel, General Motors

Mr. O'Brien was appointed vice president of General Motors Corporate Personnel in June of 1992. Prior to this, he was vice president of the Industrial Relations Staff and of Personnel Administration and Development. His current responsibilities include developing policies in specialized areas such as compensation planning and worldwide personnel administration. He has been with General Motors since 1966.

Paul J. Policicchio, President, Local 79, Service Employees International Union

Paul Policicchio head Local 79 of the Service Employees International Union, the largest union of health care workers in the state of Michigan. He was worked for the union since 1972 and has had a wide range of responsibilities including contract negotiation, training and political action. He is also a vice president of the SEIU International, a vice president of the Detroit Metropolitan area AFL-CIO and active in a variety of local civic and educational associations.

Earl Rudner, M.D.

Dr. Rudner is a dermatologist in private practice in Southfield, Michigan. He is a consultant to the Metropolitan Medical (HAP) Southfield Offices on managed care-related issues. In addition, Dr. Rudner serves as Co-Chief of Dermatology at Sinai Hospital and has taught in the Department of Dermatology and Syphiliogy at Wayne State University for the past 20 years.

James Walworth, President, Health Alliance Plan, and Senior Vice President, Henry Ford Health System

James Walworth is President of the Health Alliance Plan (HAP), created in 1979, which is Michigan's largest and oldest Health Maintenance Organization, serving approximately 400,000 residents in the Detroit metropolitan area. As a senior executive of the Henry Ford System, Walworth has responsibility for other managed care programs, including HAP's PPO subsidiary -- Preferred Health Plan -- and for the direction of the system's senior services and skilled nursing facilities.

Mr. Walworth has held many professional positions and appointments; he is past Chairman of the Board of Group Health Association.

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PEACE OF MIND

Message: The Clinton Administration's reform proposal will provide security and peace of mind, so that you don't have to worry about being denied coverage because you're sick losing your insurance when you change jobs. We must **act now** to provide the peace of mind to all Americans who live in fear of losing their coverage. No American will feel secure again unless we bring costs under control -- and make it possible for families to get ahead again.

THE GROWING RANKS OF THE MIDDLE-CLASS UNINSURED

- ♦ As costs continue to skyrocket, today's uninsured are increasingly working, middle-class families.
  - Over one million (1.067) of those who lost health insurance in 1991 were Americans earning between $25,000 and $49,000. [Himmelstein and Woolhandler, The Growing Epidemic of Uninsurance, 12/92]
  - Seventy percent of the uninsured are above the poverty level. [OMB Director Darman, testimony to House Committee on Ways and Means, 10/91]
- ♦ Hundreds of thousands of Americans are losing their health care coverage each year.
  - 100,000 Americans move into the ranks of the uninsured each month. [Washington Post, 1/26/93]
  - Over 900,000 Michigan residents had no insurance in 1991 (non-elderly). [Democratic Policy Committee]
- ♦ And those who still have insurance have seen their benefits cut.

MIDDLE CLASS FEAR LOSING INSURANCE:

- ♦ Millions more live in fear that tomorrow they will be uninsured or, worse yet, uninsurable.
  - 61 percent of Americans worry a great deal that health insurance will become too expensive for them to afford. 48 percent of Americans worry that benefits under their current health care plan will be cut back substantially. [Kaiser/Commonwealth/Harris, 4/92]

- Millions more Americans are afraid to change jobs for fear of losing coverage.

  - Thirty six percent of Americans earning between $30,000 and $50,000 reported that they or someone in their household stayed in jobs they wanted to leave because they were afraid of losing their health care coverage. ["Health Benefits Found to Deter Job Switching," New York Times, 9/26/91]

PRE-EXISTING CONDITION EXCLUSIONS

- One of the most distressing flaws in our current system of health care is that **those in greatest need of care are least able to obtain it. Nowadays, insurance companies only provide insurance once they've made sure you don't need it.** We must demand that insurance companies change the underwriting practices which serve to avoid risk instead of provide insurance.

  - One in twenty Americans has been denied coverage for a pre-existing medical condition. [Kaiser/Commonwealth Harris, 4/92]

EMERGENCY ROOM CARE

- In many cases, the emergency room, the most expensive care in the world, delivers the treatment of last resort for the uninsured. Here people do not receive primary care or preventive care. They become more sick and require even more expensive care in the future.

  - Forty-three percent of the 99 million patients seen in emergency rooms in 1990 had minor ailments that could have been treated elsewhere. [Robert Wood Johnson Foundation]

- Uncompensated care increases costs to an already overburdened system. The cost of uncompensated care is shifted to those who do have health insurance causing them to pay more.

CHILDREN: IMMUNIZATION

- Nationwide access to health care and immunization for infants and toddlers is a key goal of health reform.

  - **A child in Miami, who had contracted bacterial meningitis, incurred over $46,000 dollars in medical bills. The disease could have been prevented with a $21 inoculation.** [Robert Wood Johnson]

  - Preschoolers are less likely to be immunized for DPT and polio today than they were 20 years ago. [Robert Wood Johnson]

  - 40% of two-year-olds in Michigan were not appropriately immunized last year. [Robert Wood Johnson]

- Nearly one third of Michigan's uninsured are children. [Detroit News, 3/5/93]

CHILDREN: PREVENTIVE CARE

- In inner cities, lack of insurance and access to primary care -- especially pre- and post-natal care -- leads to higher infant mortality and morbidity rates as well as high costs for preventable illnesses.

- **Detroit has the highest infant mortality rate in the nation.** [Detroit Free Press, 3/6/93]

- We must begin to refocus our health care system on preventing illness and injury, rather than just on treating them.

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Theme 1:

We need to make the U.S. health care system more responsive to the needs and preferences of the people it serves.

An estimated 43 million Americans, living in inner city and rural communities, remain seriously medically underserved because of special needs or circumstances.

> They are overwhelmingly poor or low income, and many are children or women of childbearing age.

> Many are uninsured, but 60% already have some form of insurance (principally Medicaid).

> Many live and work in areas with too few providers of care.

> Others face serious non-financial barriers to care (such as language, homelessness, or physical disabilities), or have complex health problems, or are undocumented immigrants.

> They frequently depend on hospitals and emergency rooms for even basic care, because of severe shortages of appropriate primary health care services in their communities.

Theme 2:

Basic health services are the right of every American. At present, this means everyone must have some kind of insurance coverage; instead, even people with coverage feel threatened by the potential loss of their health insurance.

Two out of every three workers indicate they would choose health benefits if they could choose only one employee benefit. Pension benefits came in a distant second place.

61% of Americans are concerned that health insurance will become so expensive that they won't be able to afford it.

Half of insured Americans are worried that benefits under their current health plan will be cut back substantially.

Nearly 22 million Americans said that they themselves, someone else in their family, or both, had been refused health care during the last year because they didn't have insurance or couldn't pay.

22% of the uninsured who said their health was fair or poor did not contact a physician in 1989.

Theme 3:

Higher taxes, higher insurance premiums, and higher medical bills are the price all of us pay because 35 million Americans don't have health insurance. The uninsured are everyone's problem.

In 1991, hospitals spent 6% of their gross revenue -- $13.5 billion -- on care that was not paid for (uncompensated care).

People who live in the nation's 2,147 "medically underserved" counties have higher mortality and morbidity than do the residents of better-served counties. For example, had the rates for various conditions been the same in underserved counties as in non-underserved counties, each year:

> 39,000 fewer infants would be born at low birthweight and

> 4,601 fewer infants would die. Also, we'd have:

-- 46,309 fewer cases of immunizable diseases -- a 96% drop nationally

-- 38,687 fewer cases of hepatitis -- a 40% drop

-- 46,817 fewer cases of tuberculosis -- a 56% drop

PRIMARY CARE

Theme 4:

Insurance systems should assure access to primary care as well as hospital care. Access to primary and preventive care can both improve health status and reduce total health costs.

Poor preschool children are five times more likely to be hospitalized with asthma and four times more likely to be hospitalized with a severe ear, nose, throat infection than non-poor children. Most of these hospitalizations could have been avoided if appropriate ambulatory care were available.

Theme 5:

The nation needs reorientation toward the prevention of disease, injury, disability, away from high-tech "fixes."

Preschoolers are less likely to be immunized for DPT and polio today than they were 20 years ago.

Some 500,000 premature deaths a year and $22 billion are directly attributable to cigarette smoking and other uses of tobacco.

In 1988, 100,000 deaths and $85.8 billion in health care costs were linked to abuse of alcohol.

Estimates are that 25 to 40% of patients in general hospital beds are being treated for complications of alcoholism.

Drug abuse cost the system $58.3 billion in 1988 for care, treatment, and rehabilitation, as well as for lost productivity and crime enforcement.

Street and domestic violence add $5.3 billion to U.S. health expenditures.

About 400,000 people die each year by not using life-saving technology such as seat belts and smoke detectors

Theme 6:

Universal access to immunizations for infants and toddlers is a key goal of health care reform. Immunization is crucial to maintaining children's health. And, universal access to immunization is a possible strategy for better linking very young children to the primary care system.

Theme 7:

Our health care system needs to assure that more primary care providers practice medicine in rural and low-income areas, to prevent reliance on hospital emergency rooms for routine care.

43% of the 99 million patients seen in emergency rooms in 1990 had minor ailments that could have been treated elsewhere.

CHRONIC

Theme 8:

Individuals of all ages with chronic health care problems should not have to bear the total costs of their health care. Insurance systems should not be designed to deny or discourage coverage for the chronically ill.

Nearly half of the chronically ill say that the expenses from their health problems pose a financial hardship on their family.

Theme 9:

Access to home care support services for the chronically ill is a growing problem. Social choices are necessary to decide how much the chronically ill must rely on informal care from friends and family and how much we are willing to spend to provide formal home care services.

Currently, access to formal services is very uneven across the country. Extending access to home care for all individuals with chronic illnesses would be very expensive.

More than a third of the chronically ill say that it is more effort to use services than they are worth.

Nearly one-quarter of the population is very involved with the care of a relative or close friend who is limited in major activity because of a chronic condition

Two-thirds of people who needed assistance in all activities of daily living received no paid assistance in 1989.

Aetna Life & Casualty has reported a $78,000 per case savings from its Individual Care Management Program by using home care for victims of catastrophic accidents.

Theme 10:

Many important aspects of "health" and "healing" relate to a person's environment and the supports found there, like housing, transportation, or social services. The medical care/health insurance system cannot provide all of these. Yet, the health care system must work effectively across social domains to improve health for all.

SATISFACTION AND AUTONOMY

Theme 11:

People often feel cut off from the decisions made about their care. Better quality health care -- and fewer malpractice suits -- depends in part on better communication between doctors and patients.

A survey of people residing in 10 countries found that Americans are the least satisfied with their health care system.

A third of Americans are "very satisfied" with the "quality of their own medical care" in 1990, down from half in 1973.

Only a quarter of Americans are "very satisfied" with their arrangement for paying for medical care, compared with 40% 20 years ago.

Theme 12:

People need skills to help them take more responsibility for their own health care, including self-care, to use the health care system appropriately, and to know what question to ask regarding plans for their own (or a family member's) care.

Theme 13:

Critically ill people sometimes get more care than they really want. We need to apply the full court press of medical technology much more sparingly -- only to people who want and can benefit from it.

28% of all Medicare expenditures are used in the last six months of life.

PATIENT CHOICE

Theme 14:

Many Americans may prefer expensive fee-for-service arrangements for medical care. The extra costs of fee-for-service medicine should be borne by the individuals who choose it.

Over 90% of surveyed HMO members were satisfied with their primary care physician, but they prefer to receive their care in a physician's private office than in a health center.

Theme 15:

People who join HMOs and other systems of managed care should have the right to change systems when dissatisfied. The ability to "vote with your feet" is crucial to maintaining quality and responsiveness.

Physicians affiliated with managed care systems are more likely to feel that they have the resources to treat patients than physicians working in other settings, but they are less likely to feel that they have control over their work schedule.

* 11.7% of children in Michigan are without health insurance compared to a national average of 9.3%.

* 40% of two year olds in Michigan were not appropriately immunized last year.

* In 1990, 15% of the Michigan population lived in medically underserved areas.

* 4% of infants were born to women who received late or no prenatal care.

* 17% of Michigan residents are HMO participants.

* What do Americans want from health care reform?

* Are Americans satisfied with their interactions with the health care system?

* Do hospital patients and their families believe anyone cares about or listens to their wishes?

* How do we get -- and keep -- Americans involved in health care reform, a domain so coveted by high-stakes special interest players?

* Who do we want to entrust our personal health care to? "Choice" is not just an economic issue.

* Should "advance directives" be required in every state at the time of hospital admission, if not before, so that critically and terminally ill people do not receive more care than they and their families want?

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11

Divider Title: _____

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

PART III: CHALLENGES FACING INDUSTRIAL REGIONS

SPEAKERS

Peter Pestillo
Executive Vice President for Corporate Relations
and Diversified Business
Ford Motor Company
Dearborn, Michigan

William Hoffman, Ph.D.
Director
UAW Social Security Department
Detroit, Michigan

Cynthia Taueg
Director/Health Officer
Wayne County Health Department
Westland, Michigan

Bonnie Dellinger
R & R Management Company
Bloomfield Hills, Michigan

PANELISTS

Robert S. Bader
Executive Director
Wellness HIV/AIDS Services
Flint, Michigan

Wanda Ball
Flint, Michigan

Joan M. Ballentine, R.Ph.
Owner
Ballentine Pharmacy, Inc.
Deckerville, Michigan

David J. Campbell
President and CEO
Detroit Medical Center
Detroit, Michigan

Alma George, M.D.
Medical Director
Patient Care Management System, Wayne County
Detroit, Michigan

Tammy Honey
Clarkston, Michigan

James B. Kenney, Ph.D.
President and CEO
Greater Detroit Area Health Council
Detroit, Michigan

Barbara Ross-Lee, D.O.
Associate Dean for Health Policy
Michigan State University
College of Osteopathic Medicine
East Lansing, Michigan

Joseph M. Stewart
Senior Vice President, Corporate Affairs
Kellogg Company
Battle Creek, Michigan

Richard Weaver
Chairman
Michigan Senior Advocates Council
Scottville, Michigan

Richard E. Whitmer
President and CEO
Blue Cross/Blue Shield of Michigan
Detroit, Michigan

Beverly Wolkow
Executive Director
Michigan Education Association
East Lansing, Michigan

SPEAKER PROFILES

PANEL III: CHALLENGES FACING INDUSTRIAL REGIONS

Peter Pestillo, Executive Vice President, Corporate Relations, Ford Motor Company

As Executive Vice President of Ford, Peter J. Pestillo supervises Employee Relations, Governmental Affairs and the Dealer Policy Board. Mr. Pestillo joined Ford in 1980 and has held a variety of positions with the Corporation including Vice President for Labor Relations and for Employee and External Affairs. Before coming to Ford, he was vice president for employee relations at B.F. Goodrich and held industrial relations positions with General Electric.

William Hoffman, Ph.D., Director, Social Security Department, UAW

William Hoffman is the Director of the UAW Social Security Department. He is responsible for health care, retirement, disability and layoff income protection issues, both in the public policy and collective bargaining arenas. He has eighteen years of negotiating and program design and administration experience within the automobile, aerospace and agricultural implement industries and with numerous other companies across the U.S. and Canada. He is a director of two social research foundations, is an Adjunct Progressor of Sociology at Wayne State University and represents the UAW on several private and governmental boards and committees.

Bonnie Dellinger, Office Manager, R & R Management

Small business office manager Bonnie Dellinger deals with the difficulties of finding affordable insurance for a 55-person property management firm. She has been with R & R Management, which manages 3000 apartments in the Detroit metro area, for 32 years. R & R Management has found success in buying group rates with Blue Cross/Blue Shield of Michigan, but faces a continuous struggle with increasing costs. They cannot afford to offer family coverage for their employees.

Cynthia Taueg, Director/Health Officer, Wayne County Health Director

Cynthia Taueg has been the Director/Health Officer of the Wayne County Health Department since 1990. She is responsible for policy making, administration, and the operation of a local health program serving 1.1 million people, with a budget of $27 million. The programs and services that the Health Department oversees include: immunizations, communicable disease control, AIDS counseling and testing, school hearing and vision centers, family planning, WIC, prenatal care, pediatrics, air pollution control, emergency medical service coordination, and environmental protection.

Before joining Wayne County's Department of Public Health, Taueg worked at the Detroit Health Department's Public Health Center in administrative roles and as a public health nurse. She has served on several task forces, covering issues ranging from infant mortality to child abuse and neglect.

PANELIST PROFILES

PANEL III: CHALLENGES FACING INDUSTRIAL REGIONS

Robert S. Bader, Executive Director, Wellness HIV/AIDS Services, Inc.

Mr. Bader runs Wellness HIV/AIDS Services, a Flint-based program providing education and support services to persons with HIV and AIDS. In addition to his work as executive director, he is also Project Coordinator for the Genesee County HIV Task Force and a principal author of a work plan for the managed delivery of health care and social services for people affected by the AIDS virus in Genesee County.

Wanda Ball, Office Manager, Flint

Wanda Ball is the office manager of a small property management company in Flint, Michigan, which offers but does not pay for her health insurance. She cannot afford to purchase insurance on her limited family budget. She is a single mother with a 12-year old son. He receives free care at a local medical clinic which serves income-eligible children. She currently has no way of taking care of her own basic health care needs.

Joan Ballentine, Pharmacist/Owner, Ballentine Pharmacy

Joan Ballentine owns and operates a ten employee community pharmacy in Deckerville, Michigan, a town of 1,100. She regularly sees people with probems getting access to care, paying for their medications, and justifying third party reimbursements for drugs used to prevent potentially costly future illnesses. Ms. Ballentine is an active member of the Michigan Pharmacy Association and the National Association of Retail Druggists.

David J. Campbell, President/CEO, Detroit Medical Center

Mr. Campbell has been the President and CEO of the Detroit Medical Center since 1990. In the past, he served as the President of Allegheny General Hospital from 1984 to 1986, then was promoted to the office of Executive Vice President and Chief Operating Officer of Allegheny Health Services, Inc. He is currently a member of the board of directors of American Healthcare Systems, a member of the American Hospital Association's House of Delegates, and a Fellow of the American College of Healthcare Executives.

Alma George, M.D., Chair, Utilization and Management, Quality Evaluation Committee, Mercy Hospital

Dr. George is the Chair of both the Utilization and Management and the Quality Evaluation Committees of Mercy Hospital in Detroit, Michigan. She is a practicing general surgeon at Mercy Hospital. She was previously Director of Medical Education at Kirkwood General Hospital, where she was responsible for all resident training. She pioneered the first podiatry residency program for minorities in the Detroit area. She is the past president of the National Medical Association, and is currently a member of the American Medical Association and the Wayne County Medical Society.

Tammy Honey

Tammy Honey and her family receive health care benefits through Blue Cross/Blue Shield. Honey's insurance, obtained through her husband's work, is adequate coverage for her families present needs. In recent years, however, changes in their benefits plan have made it difficult to afford prescription medications since these are no longer covered. Fortunately, the family has not been dramatically impacted by the policy change to date. Although they are grateful for their existing coverage, the Honey's are concerned with the escalating cost of health care in this country. Mrs. Honey has been married 13 years and works at home raising their three children.

James B. Kenney, CEO, Greater Detroit Area Health Council, Inc.

Dr. Kenney runs the Greater Detroit Area Health Council, a health care coalition and community health planning agency with over 110 member organizations, focusing on the cost-effective allocation, management and use of health resources in southeastern Michigan. Before his current position, he was executive director of Mediqual, a firm specializing in quality management technologies for health care. He also served as executive director of the Minnesota Coalition on Health and was administrator in charge of health services for the Minneapolis Public School System. He is also the chairman of the National Business Coalition Forum on Health.

Barbara Ross-Lee, D.O., Associate Dean of Health Policy, MSU College of Osteopathy

A practicing family physician, professor and Naval officer, Ross-Lee is also the associate dean for health policy at her medical school alma mater, the Michigan State University College of Osteopathic Medicine. Through these diversified roles, Ross-Lee pursues her interests in health policy, nuclear medicine, education and women and minority health care issues.

In addition to her many publications and appointments, she is the director of the Family Medicine Residency Program and former president of the MSU Black Faculty and Administrators Association. Prior to graduating from MSU's College of Osteopathic Medicine, she received her master's in teaching special populations from Wayne State University where she also earned a bachelor's degree in biology and chemistry.

Joseph M. Stewart, Senior Vice President, Corporate Affairs, Kellogg Company

Joseph M. Stewart has been senior vice president - corporate affairs of Kellogg Company since September, 1988. He joined the company in 1980 as the director of the child nutrition programs in the Foodservice Marketing department of the U.S. Food Products Division. He later served as vice president for public affairs. Prior to working for Kellogg, he was director of food services for Howard University in Washington, D.C. Mr. Stewart is chairman of the board of the Battle Creek Health System and serves on numerous boards and advisory committees concerned with health and nutrition issues.

Richard Weaver, Chairman, Michigan Senior Advocates Council

Mr. Weaver retired as Superintendent of the Mason County, Michigan School system in 1986. For the last six years, he has been interim superintendent in several other districts in the State of Michigan. He now devotes all his time to his advocacy on behalf of senior citizens and their health concerns. He is the Chairman of the Michigan Senior Advocates Council, a state commission which monitors legislation of importance to seniors. He is also Chairman of the Mason County Council on Aging, an organization of senior citizens that oversees the delivery of senior services in the county.

Richard E. Whitmer, President and CEO, Blue Cross/Blue Shield of Michigan

Richard Whitmer has been President and Chief Executive Officer of Blue Cross and Blue Shield of Michigan (BCBSM) since 1988. BCBSM is a not-for-profit pre-paid health care plan, one of 73 BC/BS plans in the U.S.; it covers 4.3 million people under 2 million contracts and serves an additional 1.2 million elderly and disabled persons as Medicaid administrator. BCBSM, in partnership with two of the State's largest health systems, recently announced development of a new, regional managed care benefit delivery arrangement bringing together a prepaid health care plan with physicians, group practices, hospitals and employers to make health care accessible and affordable.

Mr. Whitmer is an attorney who was a partner in a Lansing law firm before joining BCBSM in 1977. He has served in various capacities with the State of Michigan, including legislative counsel to the Governor and Director of the Michigan Department of Commerce.

Beverly Wolkow, Executive Director, Michigan Education Association

Beverly Wolkow has been the Director of the Michigan Education Association (MEA) since 1981. The MEA represents 127,000 current and retired school employees. She is the first woman to head the organization. She has had an active career in education serving previously as President of the South Dakota Education Association, the executive director of the Student National Education Association in Washington, D.C., and the executive director of the Iowa Education Association.

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Divider Title: _____

HEALTH CARE: PROBLEMS FACING INDUSTRIAL REGIONS

Message: If American industries and the states whose economies depend upon them are to compete amd win again, we must reform a health care system which adds more than $1,000 to the cost of each American made car; threatens to take American businesses out of contention in the global economy; and costs American workers jobs and wages.

HEALTH CARE COSTS CAUSE AMERICA TO LOSE ITS COMPETITIVE EDGE

- Faced with skyrocketing health care costs -- costs our competitors don't have to bear -- American businesses struggle to make it in the highly competitive global economy.
  - Automakers spend over $500 more than the Japanese on each care they produce. In 1990, U.S. manufacturers spent $1,086 per car; Japanese auto makers spent only $552.
  - The U.S. spends **twice as much** on health care than the average total costs of the 24 industrialized countries that make up the Organization for Economic Cooperation and Development (OECD).
- These costs add dollar amounts to the price of American made products, and industrial states like Michigan suffer.
  - **Today, Ford Motors and GM spend more on health care than they do on steel.** [Ford Motor Co.]
  - In 1990, GM spent $3.2 billion in medical coverage for its 1.9 million employees and retirees. ["Condition Critical," Time, 11/25/92]
- Disputes about health care coverage have become the major cause of strikes.
  - In 1989, health care cutbacks were a major issue in 78 percent of all strike activity -- four times higher than the proportion in 1986. [Christian Science Monitor]

HIGH HEALTH PRICES COST WORKERS JOBS AND WAGES

- Companies struggling to compete and pay for health care coverage for their employees are unable to expand their workforce.

  - Ford's yearly health care costs have grown by nearly 800 percent over the last twenty years and health care costs have tripled as a percentage of payroll -- from 6% in 1970 to nearly 20% percent in 1991. [Ford Motor Co.]

  - The average company health plan cost per employee more than doubled from $1,645 in 1984 to $3,968 in 1992. [Robert Wood Johnson]

  - If health care costs had grown at the rate of the overall economy from 1980 to 1990, employers would have saved $1,015 per insured worker in 1992. [Robert Wood Johnson]

- Health care expenditures eat up wages; take a fat chunk out of paychecks; and consume a greater and greater percentage of take home pay of American workers.

  - Workers have lost 58 percent of wage increases since 1980, and will lose 100 percent in coming years because of rising health benefit costs for employers. [Henry Aaron, Brookings Institution, 1992; President's Advisory Committee on Social Security]

- For many workers, health care costs have caused real earnings to actually decrease since 1980.

  - **Average weekly wages** of production and non-supervisory workers adjusted for inflation, **fell** from $235 to $218 from June 1980 to June 1992. Rising health care costs were a central reason. [Bureau of Labor Statistics]

WORKERS AND RETIREES FACE SHRINKING LEVELS OF COVERAGE

- In the face of such evidence, fewer employers are offering to provide health care coverage to their employees and more Americans are losing their security.
  - Only 15 percent of new companies offered health benefits to their employees in 1992, compared to 23 percent in 1978. [Ken Thorpe, University of North Carolina, 8/92]
  - One and a half million fewer full-time workers receive health benefits directly through an employer today than 1988. [Ken Thorpe, University of North Carolina, 8/92]
- As hard economic times cut profit margins, many employers have been forced to cut or reduce health care benefits to retirees, leaving millions of Americans living in Rust Belt cities vulnerable to loss of health care coverage.
  - Higher costs will force more than half of U.S. employers to make significant changes in their benefit plans. Fifty six percent of those employers plan to change workers' health benefits. [Robert Wood Johnson]
  - Two-thirds of employers have made changes to their retiree medical plan in the last two years or intend to make changes by 1993. [Robert Wood Johnson]

RETIREE HEALTH BENEFITS

"The high cost of retiree health care benefits is having a disastrous impact on retirees and on businesses.." [Senator Donald Riegle, Senate Hearing on businesses cutting retiree health care benefits]

- Rust belt industries are plagued by ever increasing costs of retiree health benefits.
- Standard and Poors says GM will remain at a **"significant competitive disadvantage for the foreseeable future"** because of its huge pension and health care obligations to retirees. [Robert Wood Johnson]
  - **Retiree health obligations make up 70% of the book value of GM; 54% of Chrysler;** 38% of AT&T; **29% of Ford**; 14% of Boeing; and 8% of General Electric. [Robert Wood Johnson]

Note: Substantial relief of this problem would add an enormous amount to the costs of any health care plan. Under any scenario, we would only be able to absord a portion of the costs. As you know, there have been no decisions made with regard to this issue.

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Theme 1:

As in rural America, access to primary care providers is a major concern in many low-income urban neighborhoods.

17% of Michigan residents (1.6 million people) are HMO participants (16.7%).

4% of infants were born to women who received either late or no prenatal care in 1989.

40% of two-year-olds in Michigan were not appropriately immunized last year.

15% of the Michigan population was medically underserved in 1990.

Low-wage earners have a 40% chance of being uninsured; people looking for work have a 40% chance of being uninsured.

Theme 2:

Health care problems related to substance abuse is a concern throughout America -- but is of particular importance to urban areas. The relationships between substance abuse and HIV infection, substance abuse and homelessness, and substance abuse and low infant birthweights, pose major challenges to urban health care systems.

Theme 3:

The illegal drug trade also hampers efforts to revitalize inner-cities and attract new businesses. Employees, workers, and shoppers won't go to areas they deem hazardous; yet these areas need increased economic activity to provide viable alternatives to drugs.

Theme 4:

A key to getting the American economy energized is to reduce the burden of health care costs on American businesses. Thus, health care reform and economic reform are closely related.

Business health spending nearly doubled from 1980 to 1985 ($65 billion in 1980 to $115 billion in 1985), then rose 62% from 1985 to 1990 (to $186 billion in 1990).

The average company health plan cost per employee more than doubled from $1,645 in 1984 to $3,968 in 1992.

Contrary to popular belief, private business is paying a larger share of the private health care bill and individuals a smaller share. From 1980 to 1990, the business share of private health care spending rose from 40% to 43%.

If health care costs had grown at the rate of the overall economy from 1980 to 1990, employers would have saved $1,015 per insured worker in 1992.

Retiree health benefit obligations represent 7% of the book value of the 200 largest corporations in the United States. The impact of retiree costs varies greatly by company. Some examples of retiree health obligations as a percentage of the value of the firm (stockholders' equity): General Motors, 70%; Chrysler, 54%; AT&T, 38%; Ford, 29%; Boeing, 14%; General Electric, 8%; Philip Morris, 7%; IBM, 6%.

Standard & Poors says GM will remain at a "significant competitive disadvantage for the foreseeable future" because of its huge pension and health care obligations to retirees.

Theme 5:

Small businesses need a mechanism for obtaining competitively priced insurance. Health Insurance Purchasing Cooperatives (HIPCs) or other strategies are needed to pool health care risks across small businesses.

In 1991, 49% of all uninsured workers were employed by firms with fewer than 25 employees.

In 1990, 27% of firms with fewer than 10 employees offered health benefits, compared with 98% of firms with 100 or more employees.

Firms of fewer than 25 employees benefited from a health care subsidy of $14 billion from larger firms that provided insurance to their employees through dependent care coverage (1991).

Theme 6:

The high cost of health care and insurance is a brake on business expansion or investment in new plants or R&D, while keeping prices for U.S. goods high. Worldwide competitiveness of some U.S. products suffers thereby.

The cost of health care per car for U.S. manufacturers in 1990 was $1,086 and for Japanese auto makers was $552.

Despite the growing burden of health care costs, U.S. hourly compensation costs for production workers in manufacturing remain below the European average. In 1991, U.S. costs were $15.45 per hour compared with $18.16 in Europe, and $14.41 in Japan.

Moreover, from 1975 to 1991, European compensation costs rose 8.2% and Japanese costs 10.2% per year compared to 5.7% per year in the U.S. Thus, rising health care costs have had a limited impact on the competitiveness of U.S. firms, although some particular firms, e.g., in the auto industry, may have been more severely impacted.

In 1991, at least $17.2 billion of medical care costs of public programs or the costs of caring for the un/under-insured were shifted onto private business.

Theme 7:

The employment-related health insurance approach leaves millions of individuals living in rust-belt cities vulnerable to loss of coverage in periods of economic recession and business down-sizing and closure.

Higher costs will force more than half of U.S. employers to make significant changes in their benefit plans. 56% of those employers plan to change workers' health benefits.

Two-thirds of employers have made changes to their retiree medical plan in the last two years or intend to make changes by 1993. The most common changes are raising retiree contributions (47% of employers making or intending to make this change), increasing cost sharing (40%), and tightening eligibility requirements (21%).

Theme 8:

Social problems (e.g., lack of education, poverty, cultural intolerance) are such major determining factors in the health status of individuals that changes in the health care system only may have a minimal impact on the health of city-dwellers.

HEALTH CARE ISSUES AFFECTING BUSINESS

Spending on health by businesses nearly doubled between 1980 and 1985, then rose 62 percent from 1985 to 1990 (to $186 billion in 1990).

The average company health plan cost per employee more than doubled from $1,645 in 1984 to $3,968 in 1992.

Health was the major issue in 83 percent of labor negotiations in 1990.

Contrary to popular belief, private business now is paying a larger share of the private health care bill and individuals a smaller share.

The cost of health care per car for U.S. manufacturers in 1990 was $1,086 and for Japanese auto makers was $552.

Higher costs will force more than half of U.S. employers to make significant changes in their benefit plans. Fifty-six percent of those employers plan to change workers' health benefits. Two-thirds of employers have made changes to their retiree medical plan within the last two years or intend to make changes by 1993.

Standard & Poors says that General Motors will remain at a "significant competitive disadvantage for the foreseeable future" because of its huge pension and health care obligations to retirees.

HEALTH CARE FACTS ABOUT MICHIGAN

Michigan's uninsured rate has increased primarily because of a decline in employment-based coverage, not offset by a rise in Medicaid coverage.

Two-thirds of Michigan residents see cost and affordability as central problems in health care (1991).

Forty percent of two-year-olds in Michigan were not appropriately immunized last year.

Manufacturing accounted for 23 percent of employment in 1989, down from 32 percent in 1979.

More than half of men arrested in Detroit tested positive for a drug and more than two-thirds of women arrested tested positive.

###

What stake do all of us have in the health care of our urban areas? (e.g., high public services costs; treatment of AIDS, TB; high rates of low birthweight, substance abuse).

Growth in the health care sector means jobs across a broad range of skill levels:

> Do we lose or gain more jobs because of a growing health care sector?

Will changes in the health care system have any appreciable impact on the health status of inner-city residents if other social issues are not addressed in some manner?

Can private non-profit hospitals and health care providers be used more effectively to address the health care needs of inner-city residents, thus relieving the burden on public health care institutions?

What is the appropriate role of business and labor in health care reform? What is each willing to give up to get a more affordable and efficient system?

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3/10/93

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HEALTH CARE FINDING THE RIGHT CURE WILL NEED INPUT FROM ALL SIDES
Detroit Free Press (FP) - SATURDAY March 6, 1993
Edition: METRO FINAL Section: EDP Page: 8A
Word Count: 504

MEMO:
IN OUR OPINION

TEXT:
Anyone with a piece of the U.S. health care pie wants badly to protect it. Hospitals don't want price controls. Doctors don't want to be second-guessed. Insurers want to continue brokering the system. Consumers want everything but the bill.

It may be that Hillary Rodham Clinton was trying to protect her health care task force from just such a welter of competing interests when she shut the door on the American Medical Association this week. It's a justifiable worry that special interests may pick the proposed reforms to death before they're even down on paper.

But sooner or later, the doctors have to be invited into the room. If providers and consumers aren't asked to help shape, or at least comment on, plans to overhaul the system, they will be that much more inclined to oppose them. And it will be much easier to block those changes if they can charge that no one who ever bought a bedpan or took a pulse had a role in shaping them.

Ms. Clinton's task force reportedly is picking the best brains in the country as it goes about its work. But there is a kind of hubris in expecting those brains, or even the formidable Ms. Clinton, to develop in 100 days a wonder plan that solves all the ills of the system everywhere and at once. If the task force produces such a marvel, more power to it.

But there would be no shame if the task force started modestly, setting guidelines and allowing states freedom to experiment in how to achieve them. President Bill Clinton should not feel so driven by his campaign promises to produce a magic plan swiftly that he produces one with serious error in it.

Already in Washington, there are signs of people jumping the gun. The administration is said to be seeking millions of dollars from business and unions to sell a plan no one knows anything about yt. Members of Congress are talking about raising cigarette taxes, or massive and unspecified new health care taxes, even though we don't know what they will pay for.

Any plan the task force comes up with will represent one of the most fundamental and expensive changes in social policy since the introduction of Medicare and Medicaid. It will shake up an industry that employs 8.5 million people, accounts for one out of every seven dollars spent in this country, and -- for better or worse -- affects the well-being of 250 million Americans from the delivery room to the death certificate.

It's an industry that cries out for cost efficiency, for universal verage, for more compassion and human values and less cold technology and paperwork. But achieving such an overhaul will not be easy, and politics and negotiation are inevitable parts of the process.

Ms. Clinton and the brains she is picking are certainly smart enough to know that. Or, at least, that's what their well-wishers are hoping.

HEALTH: WHAT SHOULD HILLARY KNOW?
Detroit Free Press (FP) - WEDNESDAY March 17, 1993
By: AMY WILSON
Edition: METRO FINAL Section: WWL Page: 1C

TEXT:
Pretend you've got Hillary Rodham Clinton's ear for just one minute.

Without using fancy phrases like "managed care," "regional cooperatives" and "global budgeting," what one thing would you tell her to help formulte an evenhanded health care policy for this country?

Clinton and Tipper Gore will be in Dearborn on Monday asking for our opinion.

So what is our opinion? Is the answer for providers to be more efficient? To cap "last-ditch" efforts to save lives? To put an end to outrageous medical malpractice payouts?

Should we continue to get most of our benefits from our employers? Should we regulate drug costs? Should the government pay for long-term care for elderly eople? Should we always get to pick our doctors? Should doctors test for everything?

Do you want a reformed system in which everything is prepaid by a versal insurance, all bills are paid, no paperwork gets shuffled?

And what, exactly, are you willing to sacrifice to make sure there is health care for the uninsured? Are you willing to have less so that some folks can have some? Is there such a thing as too much health care?

In short, what do you believe is the greatest unmet need for Americans in search of quality health care?

Tell us.

CALL US TODAY

Talk to our reporters from 8 to noon TODAY ONLY. (The call is free.) We'll include your comments in a Free Press story to run on the day the first lady is in town. CALL 222-5978.

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STATE SUMMARY

Population, 1991 (est.)	9,368,000
Personal income per capita, 1990 (in current dollars)	$18,378
number of families in poverty, 1989	251,687
Age distribution, 1990	
under 5 years	7.6%
5 to 17 years	18.8%
65 and over	11.9%
Race, 1990	
White	83%
Black	14%
American Indian	1%
Asian	1%
All Other	1%
Persons of Hispanic origin	2%
Births, 1989	
with low birth weights	7.6%
Physicians	
rate (per 1,000 persons)	1.85
Dentists, 1990	
rate (per 1,000 persons)	0.63
Hospitals, 1990	
number	205
occupancy rate	67.2%
personnel (x 1,000)	148,800
Social Security beneficiaries, 1990	

total	1,490,000
Medicare, 1990	
enrollment	1,233,000
payments ($ mil)	4,618
Medicaid, 1990	
recipients	1,048,000
payments ($ mil)	2,195
State & local government expenditures, 1989-90 ($ per capita)	
total	$3,949.79
health & hospitals	353.55
Federal aid grants to state & local government, 1991 ($ mil, except per capita)	
per capita total	$579.24
Medicaid	207.52
Unemployment rate, 1991	
total	9.2%
Civilian labor force, 1991	
manufacturing	1,106,000
Union membership in manufacturing, 1989	486,900

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Divider Title: _____

CONVERSATIONS ON HEALTH

Dearborn, Michigan
March 22, 1993

AUDIENCE LIST

Karl Albrecht
Vice President
Action Benefits
Southfield, Michigan

William Anderson, D.O.
Southfield, Michigan

Bettye V. Arrington, Ph.D.
Director of Research and Evaluation
Jack Martin and Company
Bingham Farms, Michigan

Robert W. Asmussen
Executive Vice President/Chief Operating Officer
Blue Cross/Blue Shield Michigan
Detroit, Michigan

Brian Austin
Wyandotte, Michigan

Muzaffar Awan
Allen Park, Michigan

Carolyn Bachusz
Clarkston, Michigan

Debra A. Baitinger
Detroit, Michigan

Judith Baker, RN, MSW
ICU
Blodgett Hospital
Jenison, Michigan

Steven Baker, M.D.
Corporate Medical Director
Blue Care Network, Great Lakes
Grand Rapids, Michigan

Norman Bandemer
Managing Partner
The First Consulting Group
Ada, Michigan

Ray Bantle
President
Lorenz Management Systems
Ann Arbor, Michigan

Tim Beck
President
Michigan Benefits Providers, Inc.
Detroit, Michigan

Margaret Bennett, ACSW
Henry Ford Community College
Detroit, Michigan

Larry Bergin
Comptroller, Treasurer
Quality Baker of Detroit
Detroit, Michigan

May M. Berry
Dearborn, Michigan

Mark T. Bertolini
Executive Vice President & Chief Operating Officer
Select Care, Inc.
Troy, Michigan

Marjorie Beyers, R.N., Ph.D., F.A.A.N.
Associate Vice President
Nursing and Allied Health Services
Farmington Hills, Michigan

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International President
United Auto Workers
Detroit, Michigan

Helen Bishop
Detroit, Michigan

Jim Blanchard
Kramer Mellen, P.C.
Southfield, Michigan

Randy Block
The Gray Panthers - Metro North
Royal Oak, Michigan

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St. John Hospital
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Una Bonner
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Susan Borberly
Ida, Michigan

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Bouchey and Moore Associates
Royal Oak, Michigan

Michael Boucree, M.D.
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Blue Cross/Blue Shield of Michigan
Southfield, Michigan

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United Food and Commercial Workers
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Johnson and Johnson Hospital Services
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Southfield, Michigan

Michelle Cates
Alognac, Michigan

Dee Caudel
Detroit, Michigan

Dan Clark
Troy, Michigan

Neal G. Colburn
Executive Director
East Jordan Family Health Center
East Jordan, Michigan

Dawn Cole
Warren, Michigan

Kenneth Cole
Warren, Michigan

Richard T. Cole
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Blue Cross/Blue Shield
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Former CEO
Mercy Health Services
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William Donohue
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Joann Ebert
Dearborn, Michigan

Peter Elkstein
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Sharon Hudson
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Executive Director
Oakland Macomb Great Lake Center for Independent Living
Sterling Heights, Michigan

Hugh Jarvis
President
Michigan Federation of Teachers
Harrison Township, Michigan

Denise Mrakitsch Jenkins
Novi, Michigan

Charlene Johnson
Project Reach
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Phyllis Johnson
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Florence Pugh
Grand Blanc, Michigan

Jerry Pugh
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Anthony Pyrkosz
Livonia, Michigan

Judith Pyrkosz
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Carol Quigley
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United Auto Workers
Washington, D.C.

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Daniel Russell
Kalamazoo, Michigan

Margaret Russell
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17

Divider Title: _____

MEET AND GREET WITH MICHIGAN DIGNITARIES

Andrew Mazzara, President, Henry Ford Community College

Gerald Stockwell, Chairman and Member of the Board of Trustees, Henry Ford Community College

Senator Carl Levin (D-MI)
Senator Carl Levin is a strong single payer advocate. He considers the Congress and the Administration to be excessively concerned over the amount of front end taxes that would be required for a single payer system. He believes the public supports that approach because it is the most efficient and responsive system which would address the public's needs. He is a highly respected liberal Senator, who does not react with knee-jerk radical gestures. Because of his influence and strong support of the single payer system, we will need to provide him with a solid and convincing alternative to the single payer system. He is a team player, and open to discussion.

Senator Levin sits on the Senate Committee on Armed Services; the Senate Committee on Governmental Affairs, of which he is the Chairman of the Committee Oversight of Government Management Subcommittee. He also sits on the Senate Committee on Small Business, of which he serves as Chairman of the Innovation, Manufacturing and Technology Subcommittee.

Senator Don Riegle (D-MI)
Senator Don Riegle supported the Mitchell, Rockefeller, Kennedy health care legislation which was patterned after the play or pay type model of health care coverage. He views himself as a leading health care advocate in the U.S. Senate, and is a proponent of universal coverage and comprehensive reform. He is a strong defender of coverage for mental health, and for coverage of children and pregnant women. Recently, he has focused his efforts toward retiree health issues, and will push health liability included in the package. His wife, Lori Hansen Riegle, who will be travelling with him, is particularly concerned about domestic violence.

Senator Riegle is Chairman of the Senate Committee on Banking, Housing, and Urban Affairs; the Senate Committee on the Budget; and the Senate Committee on Finance, of which he is Chairman of its Health for Families and the Uninsured Subcommittee.

Rep. John Dingell (D-MI)
We understand that Congressman Dingell is beginning to become concerned with the lack of visible political strategy around health care and the fact that it appears we may be unable to include health reform in a reconciliation package. He is concerned that we will have a difficult time getting the proposals through the Senate if this occurs. In order to address these concerns, we are holding a meeting on jurisdictional issues with the House parliamentarian on Monday and with Howard Paster and the House Chairs from the related Committees on Wednesday, the 24th.

As you know, Congressman Dingell is committed to helping the Administration. He is concerned about early retirees and their health benefits, particularly as this issue impacts the auto industry. He has long proposed financing health care with a value added tax.

Chairman of the Committee on Energy and Commerce, Dingell also serves as the Chairman of the Subcommittee on Oversight and Investigations. As you know, Dingell has introduced the National Health Insurance Act (H.R. 16), which has been referred to the Energy and Commerce and the Ways and Means Committees. Congressmen Buyer (R-IN), Gingrich (R-GA) and Smith (R-TX) currently co-sponsor the bill with Chairman Dingell. There is no companion bill to H.R. 16 in the Senate at this time. Dingell has also introduced legislation (H.R. 33) to amend the Public Health Service Act to require certification of labs engaged in drug testing. Another piece of legislation Dingell has introduced that is worthy of note is a joint resolution (H.J. Res. 20) calling for a Constitutional Amendment to limit election expenditures for those seeking federal office. Dingell has represented Detroit's industrial corridor in the 16th district of Michigan since 1955.

Henry Ford Community College is located in Congressman Dingell's district.

Rep. Barbara-Rose Collins (D-MI)
Congresswoman Collins is representing Detroit in her second term. St. John's Hospital is located in her district. Collins serves on the Government Operations Committee as well as the Public Works and Transportation Committee and as Vice-Chair of its Investigations and Oversight Subcommittee. She also sits on the Post Office and Civil Service Committee and is Chair of its Postal Operations and Service Subcommittee. Collins has not introduced any health care legislation or had any significant involvement in the health reform process. She will, however, be concerned with the impact of health reform on the medically underserved in urban areas as well as with women and minority health care issues.

Rep. John Conyers (D-MI)
Congressman Conyers serves as Chairman of the Committee on Government Operations and its Subcommittee on Legislation and National Security. He also sits on the Judiciary and the Small Business Committees. Conyers is an advocate of minority health access and the impact of health reform on inner cities. He is also concerned with training more primary care physicians. Conyers was an important player in establishing the Congressional Black Caucus and has long advocated a Cabinet level post to handle the environment. He has represented Detroit since 1965.

Rep. William Ford (D-MI)
Congressman Ford is Chairman of the House Committee on Education and Labor and its Postsecondary Education and Training Subcommittee. As you know, his Committee will have jurisdiction over a large portion of the health care legislation. He sponsored the Family and Medical Leave Bill (H.R. 1) that, as you know, was signed into law in the Rose Garden on February 2. He has also sponsored the Comprehensive Occupational Safety and Health Reform Act (H.R. 1280) and has long advocated worker safety standards. Ford is an active supporter of organized labor and will have trouble if a tax cap is included in the Administration's proposal. He will also closely monitor any changes to ERISA. Ford has represented the 13th district of Michigan since 1965.

Rep. Dale Kildee (D-MI)
Congressman Kildee sits on the Education and Labor Committee and serves as Chair of its Subcommittee on Elementary, Secondary and Vocational Education and as Vice-Chair of the Human Resources Subcommittee. He sits on the Budget and the House Administration Committees as well. In the last Congress, Kildee fought for full funding of Head Start and has recently introduced the Child Nutrition Act (H.R. 8) to amend the School Lunch Act. He continues to promote his education initiatives in this Congress. Kildee has represented Flint since 1977.

Rep. Sander Levin (D-MI)
As you know from your meeting last week, Congressman Levin serves on the Ways and Means Committee as well as its Health Subcommittee. Levin would like to be more involved with health reform and should be consulted more regularly. He views himself as an influential player on health care and is next in line to Stark on the Health Subcommittee. He will be a team player. Levin has worked extensively in the past to increase mental health coverage under medicare. Levin is a union advocate and is especially concerned with retired health issues. He also wants strong cost-containment measures and is a defender of Teachers' hospitals. As you may know, Congressman Levin is the brother of Senator Levin.

Rep. Bart Stupak (D-MI)
Congressman Stupak is a new member of Congress representing the redrawn, formerly Republican, first district of Michigan. He has quickly gained a reputation for being very bright and a team player. He is interested in making his mark and would like a seat on Dingell's Energy and Commerce Committee. He has taken seats on the Armed Services and the Merchant Marine and Fisheries Committees. Stupak campaigned primarily on improved educational programs and providing universal health care coverage.

MEET AND GREET AT DETROIT AIRPORT

Richard Austin	Secretary of State
Mandell Berman	MLB Investment Corporation
Owen Bieber	President, United Auto Workers
Dr. Margaret Betts	Chair, Detroit Health and Social Services Committee
Dr. Victoria Binion	Herman Kiefer Hospital
Jim Blanchard	former governor
Elizabeth Brater	Mayor of Ann Arbor, coordinated municipal officials for Clinton/Gore, in a tight race for reelection on April 5th
Ruth Broder	Staff member, Senator Levin's office
Gary Corbin	Chairman, Michigan Democratic Party
Jackie Curry	County Commissioner and Clinton/Gore Co-Chair
Debbie Dingell	General Motors Foundation executive
John Dingell	Congressman
Mike Duggan	Deputy Wayne County Executive
Peter Eckstein	Director of Research, Michigan AFL-CIO
Gilbert Frimet	Attorney and Democratic activist
Frank Garrison	President, Michigan AFL-CIO
Freeman Hendrix	Assistant Wayne County Executive
David Hermelin	Democratic activist
Shanda Hurkett	Democratic activist
Spencer Johnson	President, Michigan Hospital Association
Frank Kelly	Attorney General

Carol King	Exec. Director, MI Abortion Rights Action League
Dr. David Lieberman	Director, Monroe County Public Health Department
Julius Maddox	President, Michigan Education Association
Joseph Mangone	Political Director, United Auto Workers
Elizabeth Misuraca	Exec. Assistant to the Wayne County Executive
Charles Neumann	President, Michigan Education Social Services
Larry Owen	Attorney, chief fundraiser for Clinton/Gore
Faylene Owen	President, Mica Consulting Corp.
Paul Seldenright	Director, Cmte. on Political Education, MI AFL-CIO
Shelby Solomon	Director of Gov't Services, Medstat Systems Health Care Management
Ron Thayer	Wayne County Dept. of Jobs and Economic Development
Joanne Watson	Executive Director, Detroit NAACP
Bev Wolkow	Michigan Education Association
Dr. Claude Young	Virginia Park Medical Center

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Divider Title: _____

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: Linda Moore, Political Affairs

SUBJECT: Michigan Politics

DATE: March 20, 1993

Jobs and the economy are the major issues of concern to the people of Michigan. The state is experiencing a slight economic upturn right now. For the first time since 1978, Michigan's unemployment rate is below the national average, but there is still great uncertainty about the future of the auto industry and the state's economy.

PRESIDENTIAL ELECTION RESULTS

	Detroit	Michigan
Clinton	60%	44%
Bush	28%	37%
Perot	12%	19%

GOVERNOR ENGLER

Governor Engler just proposed a plan to provide medicaid health coverage to an estimated 80,000 children, age 16 and under, who do not currently have health insurance. (News clips on this proposal and other political and policy matters are attached.) He will not be in attendance at the hearing, but his proposal will almost certainly be mentioned.

Governor Engler was appointed by the National Governors Association to serve on a welfare reform task force. He has inferred that this appointment was made by the President and therefore his position on welfare reform has been vindicated. He has made severe cuts in Michigan's welfare programs and has no proven plan for putting people back to work.

Governor Engler is up for re-election in '94. The Democratic field is expected to be large. Those who have announced thus far: former Congressman Howard Wolpe, who was neutral in the primary but a strong Clinton supporter in the general, and State Senator Debbie Stabenow who supported Tsongas in the primary but was a strong Clinton supporter in the general. Governor Blanchard is rumored to be considering a rematch with Engler but there is little evidence that he will actually run.

Two others who are mentioned by the press as potential contenders are: Larry Owen, member of the Board of Trustees of Michigan State University and chief fundraiser for the Clinton campaign in Michigan; and Doug Ross, founder and president of Michigan Future, a bipartisan think tank concerned with the state's economic future. Doug also played a leadership role in the Clinton primary and general election campaigns.

Other statewide officials are: Lt. Governor Connie Binsfield (R), Attorney General Frank Kelly (D) and Secretary of State Dick Austin (D). You will see Kelly and Austin at the meet and greet at the airport.

DETROIT MAYORAL RACE

Mayor Coleman Young is not faring well in the polls and is ailing physically. He has not announced whether he will seek reelection this fall. Since the votes from Detroit were crucial to our vote total in Michigan, it is important that you appear supportive of the Mayor but not involved in the race. The primary will be held this August. Potential Democratic candidates include Dennis Archer, former Michigan Supreme Court Justice and an early Clinton supporter; Sharon McPhail head of the Detroit NAACP chapter and a member of the Detroit school board; and Paul Hubbard, head of New Detroit, a political/social/business group founded to improve race relations in Detroit.

CONGRESSIONAL DELEGATION

Sen. Riegle is up for re-election in '94 and he is vulnerable due to his involvement in the Keating Five scandal. Macomb County Prosecuting Attorney Carl Marlinga will challenge him in the primary. This has Democrats worried about heavy targeting by the Republicans for that seat as well as others. There are 10 Democrats and 6 Republicans serving in the House. Six of these races were won with under 55% of the vote. Members of the delegation feel insecure about their own re-election and are worried about making tough votes (such as gays in the military).

The members of the delegation are as follows:

Sen. Carl Levin (D)
Senator Don Riegle (D)
Congressman Billy Ford (D)
Congressman Jim Barcia (D)
Congressman Bob Carr (D)
Chairman John Dingell (D)
Congressman Peter Hoekstra (R)
Congressman Dave Camp (R)
Congressman Nick Smith (R)
Majority Whip David Bonior (D)
Congressman Dale Kildee (D)
Congressman Sandy Levin (D)
Congressman Bart Stupeck (D)
Congressman John Conyers (D)
Congresswoman Barbara Rose Collins (D)
Congressman Joseph Knollenberg (R)
Congressman Fred Upton (R)
Congressman Paul Henry (R)

THE STATE PARTY

Gary Corbin was recently re-elected as chair. You will see him and other party stalwarts and Clinton supporters at the hearing and the meet and greet at the airport Monday afternoon. There is a great deal of factionalism within the state party right now. The Democrats lost the governor's seat in '90 and lost control of the state house in '92.

Everyone believes that labor has too much control. There is a fear that if the party continues down its current path, Senator Riegle will not get the support he needs for his reelection bid.

Organized labor worked steadfastly **against** the President in the primary. The Michigan Education Association endorsed the President very early and served as our campaign's infrastructure throughout the primary and the general elections.

STATE LEGISLATURE

The Michigan legislature is evenly split among Republicans and Democrats. The speakership and the committee chairmanships are held by the Democrats one month, Republicans the next. the Senate is controlled by Republicans. Because of a recent state senate special election, a state house seat has opened up. There is a hotly contested race underway that will decide which party gets control of the State House. It is still too soon to tell who the candidates will be or to gauge our chances of winning the seat.

RECENT NEWS ITEMS

On Wednesday, March 17, the **Bloomfield Hills students** who were stranded in the Great Smoky Mountains returned home to an emotional welcome. 122 students participated in the hike. Many became lost when a huge blizzard hit the area. The y were rescued by National Guard helicopters.

Prominent Detroit restaurateur **Chuck Muer**, his wife and another couple went sailing off the Florida coast and have been missing for more than a week.

Dr. Jack Kevorkian said in an interview with Barbara Walters on 20/20 last week that his next suicide assist will probably come in the next few weeks. Kevorkian has helped 15 people die since June 1990. He has not been present at a death since Governor Engler signed a bill last month banning the practice.

Legislation has been reintroduced in the state legislature that would make it a civil infraction to block **abortion clinics** or health facilities. Sponsors of the bill hope the recent shooting death of a Florida doctor who performed abortions will bring the legislation additional support.

Bills that would make it a crime for **underage drinkers** to attempt to purchase alcohol recently cleared a House committee. Companion bills are being considered in the senate. Current law prohibits minors from purchasing or possessing alcohol, but the law says nothing about attempting to buy it. Teenagers caught violating the statute would be fined, ordered to undertake community service and would have their driver's licenses suspended.

INSIDE TODAY

Volume 162, Number 304

Engler offers medical plan for kids

BY JACQUELYNN BOYLE
Free Press Lansing Staff

LANSING — About 80,000 children whose parents earn too much to qualify for Medicaid but too little to afford private health insurance would get state-paid coverage under a $51-million plan unveiled Monday by Gov. John Engler.

Called "Healthy Kids," Engler's proposal targets the working poor — people with low-paying jobs that don't provide insurance. The program won't cover adults, but it will provide comprehensive benefits for children under 16.

State would cover 80,000 children of the working poor

Engler's announcement comes one week before first lady Hillary Rodham Clinton arrives in Michigan for a public discussion of health care issues. She is heading a task force charged with reforming the nation's health care system.

"We're choosing not to wait for Washington," Engler said at a news conference. "We're saying to every mother and father in Michigan: You can rest easier at night if your child becomes sick."

Engler, elected in 1990, has been blasted by advocates for poor and mentally ill people for eliminating welfare for more than 80,000 adults, closing several state mental health hospitals and cutting many human service programs.

Department of Social Services Director Gerald Miller said fear about

See INSURANCE, Page 8A

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INSURANCE, from Page 1A

what might happen if children become ill is the most common concern of recipients who say they want to get off government assistance. They fear losing Medicaid if they work, leaving their families unprotected.

Beverley McDonald, executive director of the Michigan League for Human Services and a frequent Engler critic, said this proposal will help those struggling families.

"I'm delighted with this. I had been discouraged about the state's lack of support for the working poor. We encourage people to work and be independent, but we don't put programs in place to help them when they do that," she said.

Details are still being worked out, but here are the program's main points:

■ Full Medicaid coverage would be provided to children under 16 in families with incomes less than 150 percent of the federal poverty level. The ceiling would be about $18,000 for a family of three and about $30,000 for a family of six. Engler aides said about 950,000 Michiganders have no health insurance, including 185,000 children.

■ The $51-million program will be funded with $24.4 million in state dollars and the rest in federal grants. The proposal is part of Engler's $7.8-billion budget for 1994 to be presented to the Legislature on Friday. If the plan is approved, it will begin Oct. 1.

■ The state will develop an outreach program to find eligible families. Though still being developed, efforts would include seeking out minimum-wage employers and checking Michigan Employment Security Commission computer lists.

■ The state also will provide an unspecified amount of money for Caring for Children, a private program administered by Blue Cross & Blue Shield of Michigan that provides limited coverage to 1,600 low-income children. Caring for Children is funded by private donations; state money will make it eligible for some matching federal funds.

The program still awaits approval from the Legislature. In 1990, lawmakers rejected a similar proposal by former Gov. James Blanchard, saying the cash-strapped state couldn't afford it. Blanchard's $13-million "Healthy Start" plan was smaller than Engler's program, covering only children under 10.

Neither Engler nor Budget Director Patti Woodworth would say specifically where the state money would come from.

Engler, who promised that his 1994 budget won't include welfare cuts, mentioned "better money management"

Det. F.P./Pg. 8A Date 3/16

Neither Engler nor Budget Director Patti Woodworth would say specifically where the state money would come from.

Engler, who promised that his 1994 budget won't include welfare cuts, mentioned "better money management." Woodworth said cryptically, "All of that will be revealed in time," referring to the scheduled release Friday of the budget blueprint.

But two key legislators already are behind the program. Sen. Dan DeGrow, R-Port Huron, and Rep. Bob Emerson, D-Flint, who chair key subcommittees on each chamber's Appropriations Committee, attended Engler's news conference to voice support.

"Families often put off visiting a doctor when a child is sick because they just don't have the money. The Healthy Kids program will give parents greater peace of mind," DeGrow said.

AT A GLANCE

PROBLEM: An estimated 185,000 Michigan children 15 and under have no health insurance. Those children frequently go without routine medical care. That often leads to more serious illnesses and visits to emergency rooms. Also, some nonworking parents remain on welfare because they don't want to take jobs with no health insurance and lose coverage through Medicaid, which covers about 500,000 children in Michigan.

PROPOSAL: Create a "Healthy Kids" program to extend Medicaid coverage, including hospitalization, routine office visits and prescription drug coverage, to approximately 80,000 kids of working poor parents, beginning in October. The program would cost about $51 million, with $24.4 million from the state and the rest in federal grants.

ELIGIBILITY: Families with incomes below 150 percent of poverty level could participate. The ceilings would be about $18,000 for a family of three and about $30,000 for a family of six.

TO BE HEARD: Contact your state representative or state senator. You can get phone numbers and addresses from your city, township or county clerk's office.

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Det. News / Pg. 3A Date 3/16

First lady's health forums offer no specifics

By Laura Parker
NEWS WASHINGTON BUREAU

DES MOINES — Hillary Rodham Clinton's traveling health care road show may be good TV, but it reveals very little about the direction her husband's health-care reform is taking.

About 300 invited guests, mostly health-care professionals, gathered here Monday to talk about the trouble with applying a national solution to rural areas where doctors and hospitals are often 50 miles or more from their patients.

But even after five hours of far-ranging and technical discussions, Rodham Clinton didn't provide any specifics about what her health-care task force back in Washington may produce.

■ Health: Firms, unions fight surgery requests. Page 9A

"I haven't heard anything new today," said Steve Bragg, vice-president of the Pella Corp. a window manufacturer in Pella, Iowa.

Dr. Clinton MacKinney, a rural physician in Cresco, Iowa, said "all of us want more of a hint from her about the direction she's going."

Sheldon Gilgore, chairman and chief executive officer of drug-maker Searle & Co., one of the panelists, said: "There was really no opportunity for dialogue. Everybody got a couple of minutes so it was a chance for a sound-bite or two," but not a meaningful discussion of health-care reform.

The forum was the second of four meetings, all sponsored by the Robert Wood Johnson Foundation, a private philanthropic organization based in Princeton, N.J.

Rodham Clinton visits Dearborn Monday to examine industrial and urban health-care issues. She traveled to Tampa, Fla., last week to hear horror stories from the elderly, and closes out the series of meetings back in Washington in late March with a two-day session with national health-care organizations.

The forums are closed to the general public. Both the participants and the audience are hand-picked and issued invitations by the foundation.

Lisa Kaputo, Rodham Clinton's press secretary, denied published reports that the White House retained veto power over the guest list.

"This is solely a foundation event," she said.

Bragg, who served as a panelist at one of three panel discussions, said he was asked by the White House to testify.

Please see Health, 4A

Salameh's funds may not have come from terrorists

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By Richard
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Health: First lady's forums offer no specifics

From page 3A

Rodham Clinton may physically be center stage, but she lets Dr. Steven A. Schroeder, the foundation president, serve as moderator. She sits, brow furrowed, and listens to the panelists. She asks questions and takes notes, which she keeps in a thick three-ring notebook.

When Rodham Clinton speaks, she is conversant on the issues — a fact that few failed to note and praise.

"She's a real policy wonk" said Beverly Davies, a Des Moines businesswoman who is working a statewide health care reform project. "I'm glad to see a first lady my age doing things other than kissing babies."

The forum touched the hot buttons of the Clinton health reform agenda: the high cost of drugs and vaccines and the shortage of general practitioners.

At one point, when the subject of general practitioners was raised, Rodham Clinton pointed out that the federal government encourages medical students to specialize by providing Medicare funding to subsidize teaching hospitals.

"We can't change that until the message from the federal government changes," she said.

As the meeting closed, Rodham Clinton said she heard a lot about community solutions from Iowans.

"It is not going to be easy to make the changes required," she said. "We may have to figure out a national system that unleashes that kind of creativity and that sense of responsibility and see the possible changes that can flow from that."

When she arrived Monday morning, Rodham Clinton did a more traditional first lady gig — she stopped by the farm of Phil and Evelyn Lehman in nearby Slater to visit in the living room with the Lehmans and their neighbors. The neighbors, Brad and Bobette Rogers, told her how their son's arm had been partially severed in a lawn mowing accident and how their insurance now doesn't cover his ongoing surgical needs.

Another neighbor, Jim Kaplan, described how he'd had to sell a calf to pay for his insurance premium.

Rodham Clinton smiled sympathetically as they spoke.

"What I really want to do is to listen," she said.

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From page 3A

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JOBLESS COMP

Business should share the pain of fixing the fund

Michigan's unemployment compensation system faces a number of problems: The trust fund has been depleted, tax penalties have been triggered, and the percentage of the work force protected by the system has been steadily shrinking.

Looking at those problems, the Michigan Senate, pushed by the State Chamber of Commerce and the governor, has found the obvious answers: Cut benefits, restrict eligibility, and rebuild the balance in the trust fund account. The Senate whisked through a program that would improve the solvency of the system. The Senate bill did not ask any significant contribution by business; all of it was to be done on the backs of either the unemployed or workers who would no longer be eligible for unemployment benefits.

The House made a stab at trying to change the package so that there is some degree of shared pain by business and by workers to see that the system is restored to health. But the negotiations stalled, and the Republican leader of the House is prepared to use his leverage, if no agreement is reached, to get the bill reported out of the House committee as it came over from the Senate. If the Republicans can find a few Democratic defectors, they will try to pass the changes that restrict eligibility and cut benefits in the guise of a freeze.

There certainly is reason for trying to find ways to hold down the cost of the system and restore its solvency without an unreasonable burden on business. But what about the unreasonable burden on the unemployed?

The cost of strengthening the solvency of the system could be met by a combination of some restraints on benefits and an approach that increases the wage base on which unemployment insurance taxes are paid and puts more of the burden on those industries with greater cyclical unemployment. If there is some effort to achieve balance between the burden on business and the burden on the unemployed, it ought to be possible for the House to improve on the Senate version and come a little closer to fairness.

None of this begins to tackle the question of how many people are not even covered by unemployment insurance today, but that will probably have to wait for another day. Repairing the fund is the more pressing issue.

It is indeed time to get the unemployment insurance system on a sound footing. To do so will require some new restraint in benefits. To be fair, it ought also to require that some of the damage to individuals be mitigated by expanding the wage base and rearranging the responsibility for paying to keep the system strong and solvent.

PRESCRIPTION DRUGS

Legislation helps keep the lid on illegal sales

In 1989, when the Legislature adopted the Triplicate Prescription Program, this state had one of the nation's more serious problems of illegal resale of otherwise legal drugs. That program, known as Trip Script for short, has cut sharply into such diversions.

Indeed, the triplicate prescription policy, with the state getting a copy, has resulted in a 30-percent reduction in so-called Schedule II drug sales in Michigan. That suggests just how much of the market for such medications was, in fact, illegal. But the state already knew that. A 1982 Wayne State University survey had shown more than 60 percent of the drugs sold on the street originated from pharmacies.

A program that helps prevent the illegal resale of legal drugs [illegible] be renewed.

HEALTH CARE

Task force sends positive signal on mental care

After years of neglect and underfunding, there is an almost bottomless need for mental health services in this country.

One-third of homeless Americans are said to suffer some form of mental illness. Prisons are crowded with persons who would have benefited from treatment before they became offenders, and have just as pressing a need afterward.

Substance abuse, which we have in abundance, is linked to or exacerbated by mental illness. Untreated depression is a major brake on productivity in the work force. Schizophrenia carries with it pain and tragedy unimaginable to those who have not had to deal with it.

Meanwhile, state mental health programs are decimated by budget cutting, and cities everywhere are host to the bizarre or pathetic figures turned loose by an overwhelmed system.

There is not a bottomless well of money to pay for mental health services. So while it is welcome news that the President's Task Force on Health Care Reform, chaired by Hillary Rodham Clinton, is seriously considering a federal plan to cover the cost of treating mental illness, that news has to be tempered by caution about how to pay for it.

Mental health services account for about $67 billion of the nation's $900-billion-plus annual health care bill. The administration predicts that adding treatment for an array of conditions including severe mental illness, alcohol and drug abuse, and emotional illness in children will add another $6.5 billion a year. That is probably a wildly optimistic figure, just as early predictions about the cost of Medicare and Medicaid were.

The reform panel is weighing such options as higher cigarette and liquor taxes. The bottom line is that there can be no good and permanent solution to the mental health problem except in the context of a totally revamped health care system, with universal and affordable coverage and financing and rational cost control.

But it is a breakthrough that the panel takes mental illness seriously enough to include treatment for it in a mainstream health care system. Eventually, the benefits and savings from treating mental illness early and adequately will be visible enough to justify the expense. And then the wonder will be not how to pay for it, but why it took us so long to do so.

Engler's 'Healthy Kids' deserve fuller coverage

Gov. John Engler's plan to provide health insurance to 80,000 children of "working poor" Michigan families beginning this year sounds exciting and commendable. But the governor still needs to address several important questions about the scope and funding of the initiative.

Mr. Engler's "Healthy Kids" proposal would subsidize the costs of basic medical care, hospitalization and prescription drugs for children under the age of 16 whose parents have neither their own nor employer-paid health coverage, but still make too much money to qualify for Medicaid. The state also would contribute to a less extensive, private child-insurance program run by Blue Cross & Blue Shield of Michigan.

money would fund the balance) within a state budget that includes a substantial structural deficit. The absence of a clear funding source derailed a less ambitious plan for child health insurance offered three years ago by former Gov. James Blanchard.

There is a sensible way not only to finance the governor's proposal but also to make its coverage truly universal, a course urged by key members of his own administration: Increase state taxes on cigarettes and other tobacco products.

Mr. Engler says he considers such a proposal merely "hypothetical." With proper political leadership — the kind of leadership the governor showed earlier this year in building the case for a state tax increase on hard liquor — it not be.

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EPA chief will visit automakers, but they think she'll be a tough sell

Day 48 of the presidential term

By Bryan Gruley
NEWS WASHINGTON BUREAU

WASHINGTON — Carol Browner, chief of the Environmental Protection Agency, will be busy when she visits automakers in Detroit this month.

Browner: Sympathetic ear?

On the March 22 trip, which was announced Monday, Browner is scheduled to lunch with executives, tour a factory and check out emissions-control facilities.

Along the way, she just might hear about a few favors the Big Three would like from her and the Clinton administration.

No one in the industry is betting she'll grant them. Auto officials have been wary of Browner, a former aide to environmentally minded Vice-President Al Gore, since her nomination.

And many feel the EPA still is home to career staff members who, in the words of one auto lobbyist, "want to stick it to us."

CLINTON'S FIRST 100 DAYS

Browner will visit Detroit at the automakers' invitation. "She was eager to do it," said EPA spokesman Dave Cohen.

Browner, 37, unabashedly labels herself an environmentalist. She was Gore's legislative director when, as a senator, he was supporting bills to raise fuel-economy standards. More recently, Browner headed Florida's Department of Environmental Regulation.

Her "green" background has automakers wondering if she will advocate tougher regulations than her predecessors in the Bush and Reagan administrations.

Her trip to Detroit is consistent with the vow she made at her confirmation hearing to begin "a new era in communication between the EPA and America's business community" and end the "adversarial relationship that now exists."

She has yet to take firm positions on issues concerning the industry. But automakers got an unsettling signal last week when the EPA said it would not appeal a recent federal court ruling on vapor recovery canisters.

The court ordered automakers to install the devices, which capture the polluting gasoline fumes that escape during refueling. Under President Bush, the EPA decided not to require the canisters, partly because the car companies argued that they pose a fire hazard.

The carmakers hope EPA will stand aside while they appeal the court ruling.

They also hope to persuade the agency to:

- Avoid pushing for states to adopt California's tough anti-pollution program affecting vehicles.

More than a dozen states have adopted or are considering California's low-emissions vehicle plan. The automakers are fighting several of the efforts in the courts.

- Advocate state emissions inspection programs that don't make it too difficult or costly for car owners to have their cars tested and, if necessary, repaired. Carmakers fear consumers will blame them if the programs are too tough, and that won't help sales.

■ This article continues a daily chronicle of the first 100 days of the Clinton presidency.

Obituaries

James J. Curto, collected coins, tokens

By Louis Mieszko
THE DETROIT NEWS

James J. Curto resente[d] called a "coin collector."

"Coins are [illegible] money [illegible]

Saturday, March 6, 1993 in the Bon S[ecours] Nursing Care Center in [Grosse] Pointe.

[For] 2 years, Mr. Curto was a civil [engineer] with the Michigan Consoli[dated] Co., and he retired as chief [engineer] in 1968.

[He was a] Grosse Pointe resi[dent] [collecting coins] and tokens [illegible] News and other publications.

Born in Calumet, Mich., he earned his engineering degree at the University of Michigan in 1924 and joined the gas company in 1926.

He is survived by his wife, Lillian; a son, Fred; three grandsons and five great grandsons.

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Clinton's plan could work: U-M economists

DETROIT NEWS STAFF

The U.S. economy will grow significantly this year and the federal deficit will shrink if President Bill Clinton's plan for the economy is adopted, economists at the University of Michigan predicted Monday.

The economists also backed Clinton's call for a moderate fiscal stimulus package, cautioning that a sustained recovery will require more job creation and increased household income.

"Energized by consumer demand in the last half of 1992, the economy has shifted into higher gear," said a statement prepared by Saul Hymans, Joan Crary and Janet Wolfe, professors in the school's department of economics, to update their annual economic forecast, which was released in November.

The economy will expand by 3.2 percent this year, compared with 2.1 percent in 1992, and the deficit will shrink to $275 billion, compared with $289 billion last year, the economists said.

The forecast was based on President Clinton's program including tax relief for lower-income households, higher taxes on the wealthy and foreign corporations, a broad-based energy tax and investment tax credits, among other considerations.

With such a package, the economists said:

- The unemployment rate will decline to about 6.6 percent by the end of 1993 and under 6.5 percent by the end of 1994.
- Inflation will rise by 3.7 percent during 1993, and by 4.2 percent during 1994.
- The federal deficit will decline to $204 billion in 1994, and to under $175 billion in 1995.

Meanwhile, B. Joseph White, dean of the school's business school, said U.S. business must develop "an army" of new leaders to compete in the emerging global economy.

Speaking to the Detroit Economic Club Monday, White said that the workplace of the future will demand fewer managers, highly trained workers, and extremely high performance expectations.

White said the development of the workplace "is fueled by performance and cost requirements, growing confidence in self-managing work groups, and fast evolving information and communications technology."

UAW's Bieber vows 'vigorous fight' against NAFTA

By Richard A. Ryan
NEWS WASHINGTON BUREAU

WASHINGTON — United Auto Workers President Owen Bieber v Monday night to use the s political muscle to defeat the North American Free Trade Agree-

"I say to you tonight that this UAW will not let George Bush's NAFTA deal stand," Bieber told 1,000 delegates to the opening session of the union's annual Community Action Program Conference. "We will wage the most vigorous fight that we are capable of waging."

Bieber's vow came during an hour-long speech that was filled with praise for President Bill Clinton and Clinton's support of union goals. He failed to mention, however, that Clinton supports NAFTA and has said he will submit the agreement to Congress after completion of additional negotiations on worker safety and protection of the environment with Mexico and Canada. Those three-country negotiations begin tomorrow.

NAFTA, which creates the largest free-trade zone in the world, was signed by President Bush last December. It was ratified by the legislatures of all three countries, and is scheduled to take effect Jan. 1, 1994.

Bieber claims that the trade agreement will result in a massive migration of U.S. jobs, particularly in the automobile industry, to Mexico.

Enactment of a national health care plan to cover all Americans is another top UAW priority, Bieber said. He also suggested a value-added tax as one way of paying for it.

Raising taxes, Bieber said, "is not something you would have heard from someone in the labor movement" a few years ago.

Bieber also warned the Big Three automakers that efforts to cut medical benefits for UAW members in contract negotiations later this year "could lead to a strike" in the fall. The three-year contract expires Sept. 14.

"This union will not surrender the employer-paid health care benefits we have fought so hard to win and to protect," he said as the UAW members leaped to their feet in a rousing cheer.

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STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN ENGLER
GOVERNOR

March 19, 1993

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

Dear Mrs. Clinton:

By way of this letter, I welcome you to the great State of Michigan and offer my best wishes for success as you seek insight into the problems and possibilities for reform of our nation's health-care system. I believe you will find that Michigan is a microcosm of the health-care challenges we confront across the country. I regret that I am unable to attend your hearing, and I thank you for this opportunity to convey my personal observations and recommendations for reform.

The problems confronting health care are obvious: Costs are too high, access is too limited, and performance is poor. The cost of health care is now the number one budget concern of families, businesses, and government at all levels. Michigan's largest employer, the automobile industry, spends over $1,000 per car on employee health care -- more than it does for steel. One quarter of our state general revenues is spent on health care, and double-digit inflation has been the norm for nearly 30 years.

Coverage for Michigan's citizens compares favorably with the nation as a whole. Only 9% of our citizens are uninsured, while up to 18% of all Americans are without coverage. Michigan's Medicaid program is also the most generous among the United States, offering coverage for virtually every optional service permitted by the federal government. Just recently, I proposed to further expand coverage for over 80,000 poor and near-poor children through my "Healthy Kids" initiative. Unfortunately, Michigan still has hundreds of thousands of citizens who lack even the most basic coverage.

Perhaps the greatest challenge we face is to improve performance. Michigan's infant mortality rate, while improving, is still unacceptably high, with rates in the inner city of Detroit exceeding those of many third world countries. Even though we have provided free, Michigan-made DTP vaccines to all of our children for nearly 40 years, immunization rates for young children, ages 0-2 years, in some areas are still only 30%. Worst of all, Michigan ranks "dead last" among states in excess deaths due to chronic disease.

For these reasons and more, I believe it is time for reform. I further believe that providing universal access for all citizens is not only a moral imperative, but a necessary pre-condition to controlling costs.

The Michigan Leaders' Health Care Group, which I co-chair with Harold Poling, CEO of Ford Motor Corporation, and which consists of a partnership of business, labor, government, and health-care providers, has adopted a series of principles for national reform that I recommend to you as the policy compass for your deliberations. These principles have been provided to the Task Force under separate cover. In addition, I have endorsed the December 15, 1992, statement produced by the National Governors' Association, as well as several other business and governmental organizations, that defines the respective roles of states and the federal government.

I recommend support for the reform framework known as "managed competition" as it has been articulated by Alain Enthoven and the so-called Jackson Hole Group. This plan calls for universal coverage with a federally established standard benefit package that is community rated and provided primarily through employers. Health care would be provided by vertically integrated provider organizations, similar to the most advanced HMOs, that are accountable for delivering all of the benefits defined by the standard package under one roof. Payments for services would be "bundled" or capitated, and providers would share risk. The purchasing power of multiple employers would be consolidated into "purchasing cooperatives," thereby leveling the playing field between provider and payer, and eliminating the third-party middle man. A unique and cost-saving feature of the plan is its potential to merge health coverage currently provided through multiple insurance sources, including auto, health, and workers' compensation, into one plan.

I understand that the Task Force is advocating "managed competition"; however, reports indicate that a greater emphasis is being placed on "management" than on "competition." Managed competition must not be reduced to a buzzword. True managed competition does not entail global budgets, limits on capital investments in technology, or price controls because it restructures the fundamental relationship between payers and providers of health care to eliminate the need for such heavy-handed governmental regulation.

Paying a single price for a defined set of benefits on a per-person basis and putting providers at risk for excess costs removes incentives to overuse services by transforming profit centers into cost centers. Amassing the purchasing power of multiple small employers and individuals will equalize the relationship between historically powerful providers and weak purchasers. One result of this new relationship will likely be a consolidation of the health-care insurance industry and a reduction in administrative overhead costs that currently approach 25%. Community rating will prevent the "cream skimming" and risk avoidance that currently plagues the health-insurance industry.

I am especially concerned that the Task Force may be considering price controls in its desire for short-term cost containment. As you know, total health-care costs are the product of price and volume. Price controls will not contain costs unless concurrent controls over service volume, i.e., rationing, is instituted. I would strongly recommend against any efforts to ration care because it will result in pitting one part of society against another. Neither price fixing nor service rationing are necessary if the Task Force sticks to the basic tenets of managed competition.

There are two key federal law changes that are necessary to make managed competition work: First, it is necessary to permit waivers of the federal ERISA pre-emption law for state plans so that all employers may be brought into a purchasing cooperative, and, second, it will be necessary to amend federal anti-trust laws to permit the vertical integration of physician- and hospital-based services into accountable health plans. I strongly recommend these essential changes in federal law.

Finally, as a governor, I am concerned that all states be granted the tools and flexibility to serve as true "laboratories of democracy" in the reform effort. Specifically, I encourage you to remain modest in setting a standard benefit package so that states may supplement according to their needs; I discourage any recommendation to cap entitlement programs like Medicaid because such action would result in unacceptable cost shifts to the private sector; and I support providing states with the flexibility to incorporate Medicare into comprehensive health plans.

I wish to draw your particular attention to the impact that Medicaid reform may have on state mental health systems like Michigan's, which utilize community-based waivers to provide personal care services to thousands of mentally ill and developmentally disabled persons. Over $400 million worth of care is provided to mentally ill and developmentally disabled persons under the current Medicaid program in Michigan, and I urge that this care <u>not</u> be disrupted by changes in Medicaid.

Thank you for this opportunity to express my views to you and the Task Force on this most important matter. I look forward to your May 4 recommendations and the ensuing debate over national health care reform.

Sincerely,

John Engler
Governor

JE/DLS/jlf