FOIA Number: 2018-0141-F

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Legislative Affairs

Series/Staff Member: Steve Ricchetti

Subseries:

OA/ID Number: 5357

FolderID:

Folder Title:
Meetings [Folder 3] [2]

Stack:	Row:	Section:	Shelf:	Position:
S	26	5	1	1

U.S. REP. JIM MCDERMOTT'S CHECKLIST OF CRITERIA FOR MEASURING HEALTH CARE REFORM PROPOSALS

1. Does it provide insurance coverage to every American?

Nearly 40 million Americans do not have health insurance coverage today. That total increases by 100,000 each month. An almost equal number (nearly 40 million) are dangerously under-insured. Any reform proposal must extend quality coverage to these Americans.

2. Is that coverage portable, stable and continuous?

A major problem for people who have insurance is the fear that they will lose it if they move to another job, due to a "pre-existing condition" which won't be covered under their new employer's plan, or other restrictions and inadequacies in the plan offered by their new employer.

3. Is the standard benefit package comprehensive enough to prevent the need for a large secondary insurance market which leads to two-tier medicine and uncontrollable costs?

In a democracy, it is important to have a quality health care system available to all. If the standard benefit package guaranteed to all citizens provides only minimal benefits, then some people will look for a "better deal." People will try to either "buy out" of the national system or buy more private insurance. If the standard package of benefits is a generous one, people will stay in the system, preserving the ability to control costs.

4. Does it allow individuals or families to choose their own physician or other health care provider?

Americans cite the ability to choose their own physician as the single most important aspect of any health care plan, even over cost and convenience. They do so by large margins. One of the fundamental elements of healing is the relationship between the healer and the patient. If the patient has no choice, you take away an essential element of the health process.

-- more --

5. Does it guarantee coverage regardless of physical condition or the presence of a pre-existing condition?

Increasingly, insurance in this country is only available for those things for which you do not need insurance. If you have a cancer, insurance companies will cover everything but cancer. If you have heart problems, they will cover everything but heart problems. Any reform plan must correct this fundamental problem.

6. Does it provide for effective, verifiable cost-containment?

Currently, America's health care system essentially has no cost controls. We cannot, as a nation or as individuals, afford this any longer. Any reform plan must have verifiable cost-containment.

7. Does the cost-containment apply to the entire health care delivery system without loopholes or exemptions for the secondary insurance market or self-insured entities?

It is increasingly difficult to control costs and stop wasteful spending if large numbers of people are "outside the system." To be effective, cost-containment measures must be applied to the entire health care delivery system.

8. Is there one simplified federal administrative system that applies to all Americans, rather than multiple bureaucracies which do the same thing for different groups?

A central goal of any health care reform plan should be to simplify the system to make it understandable for ordinary citizens and to make it easier to identify and eliminate waste. Over-lapping layers of federal health care bureaucracies for separate benefit programs needlessly waste health care dollars. Waste is also an unavoidable aspect of having 1,500 different private health insurance companies. According to the GAO, Americans incur nearly $60 billion a year in unnecessary health care costs simply because of all the different forms and paperwork issued and required by so many different companies.

9. Does the health care delivery system enhance access to health care in rural areas and the inner cities?

More than 35% of Americans live in rural areas or inner cities. Both have been chronically under-served by the current health care system. Any national health care system must correct this inadequacy.

-- more --

10. Does it eliminate interference between doctors and patients by insurance companies second guessing medical decisions and allow health professionals to make their own medical decisions?

Maintaining America's high quality of health care must be a fundamental goal of whatever health care reform plan America adopts. The current system's case by case random reviews, which inserts insurance companies between the patient and the health care provider through "pre-certification" requirements for hospital admissions, length of hospital stays, and even for specific medical procedures, have not been effective in controlling health care costs. What we need is a system that allows doctors to make their own medical decisions, but which also teaches them how to deliver better medicine by developing better practice patterns.

11. Does the system dramatically reduce administrative costs of the health care budget?

Almost a quarter of all health care dollars in America are consumed by administrative expenses of insurance companies. This is simply unacceptable. If we are to make the kinds of savings necessary to finance comprehensive health care coverage for all Americans this figure must be reduced. And it can be reduced. For example, under Canada's "single payer" system, for example, only 3 percent of all helath care dollars are consumed by administrative expenses.

###

Mrs. Clinton

Carol Mosely Braun -
invite. (Friday)

DCCC Letter -

Follow up w/ staffers

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: House and Senate "Message" Meeting
cc: Melanne, Steve, Lorraine, Jeff, Ira, Distribution

June 29, 1993

Tomorrow you are scheduled to attend the second meeting of the joint House-Senate "Message" group on health reform. Congressmen Gephardt and Bonior will represent the House. Senate attendees will include Senators Mitchell, Daschle, Pryor, Kennedy, Rockefeller, Reid, Boxer, Wofford and Kerrey. Senators Moynihan and Riegle have been invited but their attendance was not confirmed.

This meeting is a follow-up to last week's meeting in which the Message group laid out their "to do" list of tasks to be completed before the launch of the plan. At tomorrow's meeting Jeff Eller plans to respond to the first three items on their list. More specifically, a draft has been prepared on the strengths of our plan which Jeff will review, as well as our efforts to develop a strong central message and our plan to educate Members, Administration officials and supporters.

The message group's "to do" list and the strengths memo are attached for your review.

Sen. Kennedy:
Educational Whip process. in Senate
dedicate time to education. Set of
Senators to go to other Senators.

Rockefeller - Health Project
(12 groups)
Bonior - Green Beret's (25)
- Overview of Health Care Message
- Mtg. July 12th
- Remind - people about crisis.
Fazio - Grassroots - Cong. Districts

Sen. Kerrey:
Have a strong contrarian mtg. w/
people to criticize the plan.

To: Health Care Group
Fr: Senate and House Health Care Leadership

The following list includes some of the tasks that need to be completed for a successful launch of the health care reform proposal. The tasks listed below are meant to be shared by a variety of organizations not limited to, but including the White House, House, Senate, NHCC and other grassroots organizations.

1. **Launch Date Criteria/ Launch Date Public Message**

· need agreement on criteria we need to meet before we're ready to launch
For example, the President should announce his plan publicly only when:

- the policy is complete and sufficiently detailed
- back-up numbers are adequate and available (costs, savings numbers should be vetted with CBO to avoid post-announcement controversy)
- message points and name of bill are vetted and available
- informative material on strengths and vulnerabilities is available
- back-up information sheets are adequate and available
- endorsing groups are identified, committed and ready to endorse publicly
- opinion-leader supporters are identified, committed and ready to support publicly
- grass roots operation is in place
- Member information level is adequate
- Member endorsers are identified, sufficient, and ready to endorse publicly
- legal questions have been answered to the extent that no major structural changes will be required and no obviously valid constitutional problems will arise
- legislative strategy is developed, agreed upon with Committee chairs
- proposed date fits reasonably with Presidential and Congressional schedules

· need coordinated public message on launch date

2. **Message**

· need to develop and agree upon strong central theme
· educate Members, Administration officials, supporters re: message and how to stay on it
· how to infuse it into all parts of effort

3. **Strengths list** - key strengths, talking points on our plan :

· security (even if you switch jobs, lose your job or have a pre-existing condition)
. eliminates loopholes and fine print - no more battle with insurers
· greater consumer choice of health benefits plans
· improved quality of care
· putting the brakes on escalating health care costs
· comprehensive coverage for all Americans
· simplicity, will reduce paperwork for you and your doctor
. help for small businesses who will have increased bargaining power and lower costs for premiums
. help for big businesses who are being consumed by health care costs, improving competitiveness and job growth
. positive impact on state and local budgets
. helps families deal with financial burden of long term care
. increases role of doctors and patients in medical decisions
. more consumer information and protection

4. **Vulnerability** - identification and response:

· families already face rising costs - this will increase their costs
. taxes will increase
· government can't get anything done and this is just another government program
· employer mandates
· rationing
· loss of choice
· govt. workers, others who now have excellent coverage
· abortion
. quality
. untested plan, no one has tried to reform this system on this scale before
. reform may increase spending not decrease it
. unfair to young people
. the system would be so complex that it would collapse

5. **Opposition research** - determination of vulnerabilities of other plans

· competing proposals (on and off Hill)
· special interest groups who are mounting their own attack campaigns (NHCC)
. identify health and other groups that oppose reform, who are they? why are they opposed? What is the effect of their opposition?
· use DPC health contact for information from other Senate offices

6. **Visibility**

- · establish weekly visibility plan
- · recess plan
- · media agenda before launch/after launch
- . coordinate public events, publications, statements for maximum impact

7. **Effective ways to reach and involve Members**

- · Health University
- · consultation groups
- . effective use of existing House/Senate forums (caucus, DPC)

8. **Health Groups/Grassroots**

- · need to identify and involve the allies (consumer, labor and business organizations) (NHCC & DPC) in grassroots effort

9. **Party Grassroots**

- . activate party troops to educate others and build support

10. **Mailing lists**

- · Media: need comprehensive press lists including specialty and regional press; coordinate existing lists (NHCC, DPC & WH)
- . Academics, Health Care Leaders
- . Other outreach: groups, elected officials

10. **Rapid Response**

- · who will lead effort
- · mechanism for response

11. **Coordination with White House, Senate & House**

- . identify point persons who will stay in daily contact with each other in White House, Senate and House (staff) to coordinate, address issues as they develop
- . establish health care working group with representatives from each
- · House/Senate mirror organizations (message board groups)
- · education (Health University)
- · legislative scheduling (Leadership)

12. **Coordination with State/Other Elected Officials**

. ways to involve Governors active in reform
. ways to involve state legislators, mayors, etc.

13. **Coordination Systemwide**

. National Steering Committee might be appropriate framework for coordination among all engaged in reform effort

- Administration
- Congressional leadership
- DNC/NHCC
- DCCC and DSCC
- DGA
- Labor (AFL)
- Others

13. **Calendar**

. calendar for task accomplishment

STRENGTHS OF THE PLAN

1) **Security** (even if you switch jobs, lose your job or have a pre-existing condition)

"Under the current system, one in four Americans will lose their insurance at some point over the next two years. Today, if you or your child gets sick, if you switch jobs, if you want to start a small business, you can lose your insurance. Under the President's plan, you'll get health security.

Lose your job -- and you'll still be covered. Get sick -- you'll still be covered. Start a small business -- you won't have to worry. That's what insurance is supposed to be all about. The President's plan asks all Americans to take responsibility for their health -- and offers health security in return."

2) **Putting the brakes on escalating health care costs**

"Right now, what you're charged for health care is draining your savings, threatening your salary, bankrupting businesses and exploding our deficit. We've got a health care system that's overloaded with excess paperwork, outrageous fraud and waste, and con artists looking for a fast buck. And if we do nothing, things will only get worse.

The Clinton plan will change the way things work. It will crack down on those insurance companies and drug companies that are making excessive profits -- but not investing in better care. We'll aggressively go after the people that exploit loopholes to make a profit. And we'll stop the overcharging and put the brakes on rising costs."

3) **Improved quality of care**

"First, the Clinton plan will guarantee every American a comprehensive benefits package that emphasizes preventive care to keep you healthy instead of waiting until you get sick. We'll give you more primary care doctors and nurses.

And for the first time, we're going to require doctors and hospitals to give you information about the results of the work they do. You'll know how each health plan is doing -- and what the people who use that plan think of the care they get. "

4) **Greater consumer choice of health plans**

"Today, you're at the mercy of the insurance company that your boss decides to contract with. You're told what health plan you've got to use -- and even forced to give up your doctor if your doctor's not part of that plan.

Under the President's plan, you're in the driver's seat. You'll get to choose among health plans -- giving you the widest and best choice of how you get your care."

5) **Preserves doctor choice**

"The doctor-patient relationship is in danger. More and more employers are forcing their workers to switch to health plans that may not allow them to see the doctor they're used to.

The Clinton plan will preserve your right to see the doctor of your choice. Reform will put consumers in the driver's seat. You -- not your employer or some insurance company -- get to choose your health plan and your doctor."

6) **Eliminates loopholes and fine print** -- no more battles with insurers

"We're all sick of it: the endless, confusing forms; the insurance policies that you need a translator to understand, the fine print that strips you of your coverage when you need it most.

That's why the President's plan will put you in the driver's seat. Simple forms. Plain language. A comprehensive package of benefits -- and no loopholes or fine print to take it away. You shouldn't have to battle insurance companies to get the benefits you pay for -- and with the President's plan, you won't."

7) **Comprehensive coverage for all Americans**

"Right now, millions of Americans have insurance that isn't there when they need it. Some things get covered, but often the insurance company points to hidden limits in the fine print to rob you of benefits you thought you had.

The Clinton plan will guarantee every American a comprehensive benefits package that can never be taken away. And it includes more than a couple of trips to the doctor. Hospital care -- covered. Lab work -- you're safe. Preventive care -- so you and your children stay healthy. Prescription drugs. More options for long-term care. Together, it adds up to health security for all Americans -- the knowledge that you will always be able to get the care you need when you need it."

8) **Simplicity**, will reduce paperwork for you and your doctor

"Under the Clinton plan, you'll be able to wave good-bye to the endless, complex forms and all the hassles. Because we're going to scrap the system that produces so much paper that even if you've got the patience to wade through it, you probably don't understand it. We'll take the forms from the 1500 different insurance companies and make them into one.

And we're going to let medical professionals practice medicine again. Today, nurses and doctors are forced to spend time filling out form after form -- time that could have been spent caring for patients. Some nurses have to fill out 19 forms for each patient -- and then those forms are checked and checked again. That won't happen after reform."

9) **Eliminates fraud and abuse**

"Right now, fraud and abuse run rampant throughout the system. While some people file false claims about procedures that never happened, others figure out how to exploit the loopholes in the maze of forms. Either way, they're making a profit -- and you're getting ripped off.

The Clinton plan cracks down on fraud and abuse. We'll toughen penalties for people that try to game the system. We'll eliminate the loopholes that let people make a fast buck. And we'll hold all health plans accountable by requiring them to provide easy-to-understand information about their results and success rates -- so abusers have no place to hide."

10) **Help for small businesses** who will have increased bargaining power and lower costs for premiums

"Right now, the cost of insurance for small businesses is spiraling out of control -- bankrupting small businesses across the country. The smaller your company, the more you pay for insurance and the faster your premiums are rising. And small businesses are going broke trying to keep pace with rapidly rising premiums.

If you're a small business owner who covers your employees now, this plan will bring your costs under control. We'll stop the insurance schemes that discriminate against you and drive your premiums through the roof. We'll fold in workers' comp and the medical part of auto insurance -- so you don't have to pay for three insurance policies for each worker. And we'll enable you to team up with other small businesses and negotiate for the same rates that insurance companies give the big guys.

Under the Clinton plan, everyone benefits because everyone takes responsibility. Small businesses that provide insurance shouldn't have to pick up the tab for firms that can't afford it.

If you're not able now to cover your employees, reform will help make insurance affordable for you, your family, and your employees. The plan will ask everybody -- workers and employers alike -- to chip in for health care. And coverage would be phased in and government assistance provided to make it easier to provide insurance."

11) **Improving competitiveness and companies' ability to create jobs**

"Right now, many businesses are falling behind because of the enormous burden of rising health costs. Take the auto industry, for example. Health care costs add $1,100 to the price of every car made in America -- double the cost added to Japanese imports. So companies can't hire new workers -- and they're at a disadvantage in the global marketplace.

The Clinton plan will reduce health costs for many companies. Health reform will free up money to create new jobs and increase incomes. And the plan asks all employers to take responsibility for covering their employees -- so some businesses aren't stuck with the bill for people who work for companies that don't provide insurance."

12) **Positive impact on state and local budgets**

"Right now, health care costs are spiraling out of control -- bankrupting state and local governments. And our federal deficit means we have had to cut programs like Medicare and Medicaid -- leading to an even greater burden on state and local budgets.

Comprehensive reform will ease this burden. The federal government will lead the way, and work in partnership with state and local governments to control the costs that are bleeding our communities dry. State and local governments will no longer be asked to go it alone in facing exploding costs."

13) **Helps families deal with financial burden of long-term care**

"Too often, American families are bankrupted by the long-term care costs of family members. Often, the elderly and disabled are forced into nursing homes because they have no other options. We need a system that offers real choices to the elderly and the disabled.

People want to remain in their homes and communities, and the Clinton plan will provide services to make this posssible for more Americans. There will be more services available -- so that seniors and disabled citizens who can't manage on their own can remain in their own homes or communities for as long as possible."

14) **Increases roles of doctors and patients in medical decisions**

"Right now, doctors have too many people looking over their shoulders, second-guessing their professional judgment. They're buried under an avalanche of paperwork that does nothing to help deliver high-quality care.

The Clinton plan takes away the hassle, the second-guessing by insurance company representatives at the end of a telephone line, and the time spent doing paperwork. It restores the treasured doctor-patient relationship and allows physicians and patients to work together to make medical decisions."

15) **More consumer information and protection**

"No longer will consumers be at the mercy of their employer or insurance company when it comes to choosing a health plan or seeing a doctor. The Clinton plan empowers consumers to make educated decisions about how and where they get their care.

After reform, you'll get a "performance report" that gives you easy-to-understand information on each health plan -- what doctors and hospitals are included, an evaluation of the quality of care, a consumer satisfaction survey, and the price. And you choose your plan. If you want to switch plans later, you can do it. It's simple."

16) **Emphasizes preventive care**

"We have the most sophisticated health care available anywhere in the world. But there's something wrong with a system where you're guaranteed a triple bypass, but you can't be sure that your child gets the shots she needs.

This plan offers a new bargain: you take responsibility for your health and your children's health -- and we'll cover preventive services: regular physicals, immunization, and tests like mammograms. And you won't have to pay for them anymore.

Emphasizing preventive care is a new approach based on what's always worked -- keeping you healthy instead of waiting until you get sick. It will improve health and save us all a lot of money at the same time."

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton June 29, 1993
FR: Chris Jennings
RE: Ways and Means Subcommittee Meeting
cc: Melanne, Lorraine, Steve, Jeff, Distribution

Tomorrow you are scheduled to meet with the Democratic Members of the House Ways and Means Subcommittee on Health. All of the 7-Member Subcommittee, with the exception of Congressman John Lewis, will be in attendance. (Although you are very familiar with these Members, a brief profile on each of their health care backgrounds is attached for your reference.) In addition to the Members, the Ways and Means staff of David Abernethy, Tricia Neuman, and Jamie Reuter will be present.

BACKGROUND

Tomorrow's meeting was requested almost immediately after Congressman McDermott made public statements about his multi-Member single-payer meeting with you. Apparently McDermott's comments about separate single-payer "subcommittee" meetings with the White House egged on a number of the Ways and Means Subcommittee to complain to Pete Stark and urge that he request one on their behalf.

MEETING SUBSTANCE AND FORMAT

After talking with you yesterday afternoon, Ira and I discussed what would be the best material to present to the Committee Members. We decided that the optimal course would be to provide them with a fairly detailed outline of the plan as we currently envision it. Attached for your review is the 10 page document that has been prepared for this purpose. The summary does not go into any great detail about the two most difficult issues: financing and short-term cost containment. However, Ira and Judy will be prepared to discuss the options in some detail.

David Abernethy and I agreed this afternoon that the best format for the meeting tomorrow would probably be one that starts off with some brief opening comments from you, followed by a proposal from you about how best to structure the limited time constraints faced by all. Based on my conversations with David, Ira, and Judy, I believe you should consider suggesting the following format for the meeting:

(1) Pass out the document that summarizes the current state of the plan and allocate 20 minutes for Judy to present it;

(2) Following the presentation of the written document, have Ira briefly outline the financing and the short-term cost containment options that are now being discussed internally;

(3) Allocate the bulk of the meeting and the next 45 minutes or so to any and all questions, comments, suggestions the Members will have on what they have just heard; and

(4) Finally, reserve the last 15 minutes to get the Members' advice on process, timing, political strategy regarding the health reform proposal.

At the conclusion of the meeting, we will need to pick up from the Members the paper that was distributed. (This is something that happens all the time in the Congress.) To ease this process, it would be helpful if you mention the need to pick up the paper before you turn it over to Judy for her presentation.

The last point I would make is that we should be careful to say that the plan as we currently envision it has taken into account many of the suggestions and priorities of the Members of this Committee. Moreover, the President will want to review his final decisions with the Leadership and the Members before he unveils the legislation.

WAYS AND MEANS HEALTH SUBCOMMITTEE
June 29, 1993

CONGRESSMAN PETE STARK (D-CA), CHAIRMAN - For some time Congressman Stark has backed a single payer model for health care reform based on extension of Medicare to the entire population. As vice-chairman of the Pepper Commission he voted against its pay-or-play plan -- partly because it was not a single payer plan but more importantly because in his view, it made concession to more moderate to conservative elements of the Commission without winning their support.

As the First Lady knows, Stark is outspoken and does not have a problem criticizing anyone. Earlier this year, Stark released a letter from the Director of Cal-PERS (the health insurance plan for California public employees) in which the Director denied that his approach was managed competition. He released a report from the Congressional Budget Office that compared various reform models in terms of their abilities to control costs. While the report found that a single payer approach would do a better job than managed competition, it used a pure managed competition model so its findings are not directly applicable to the combination plan being developed by the Administration is developing.

Stark's behavior is often unpredictable. However, he respects Rostenkowski and will be unlikely to go against his chairman.

Recent Developments: Stark continues to publicly belittle the Administration's health reform efforts and those charged with developing the plan. A June 16th AP story discussed how Stark had become a chief antagonist to the Administration on health care reform and laid out, in detail, some of his verbal bombshells. However the article also quotes Stark as saying that he is a "soldier" and that all he wants is a real bill with details and "empirical, absolute" cost controls. (Stark opposes voluntary measures, he compares them to voluntary taxes.)

CONGRESSMAN MICHAEL ANDREWS (D-TX) - Congressman Andrews is a moderate to conservative Democrat. A new member of the health subcommittee, Andrews supports managed competition. He sponsored the Conservative Democratic Forum's bill based on that approach along with Congressman Cooper (D-TN). This bill gathered strong support at the end of the 102nd Congress and helped stall efforts by Congressman Stark to move his health reform bill through the Ways and Means Committee. Lack of consensus among the Democrats caused Chairman Rostenkowski to end consideration of health reform measures.

On a substantive level, Andrews supports a tax cap on benefits and the use of excise taxes, particularly cigarette taxes, to fund health care reform. He is nervous about cost controls and the impact they might have on managed competition. He will also look out for rural health care. Congressman Andrews has many hospitals in his district, and his district tends to motivate his vote. While close to the Chairman, Andrews will not necessarily follow his lead.

Most of the people involved with legislative targeting on the Health Care Task Force believe his vote is a long-shot. In fact, Majority Leader Gephardt lists him as a "no." However, Lorainne Miller believes he is within reach, that he wants health reform, and if the President releases a very moderate package, he might be with us. The bottom line is that while Congressman Andrews will require significant work but should he support the plan he could be very influential with the CDF crowd.

Recent Developments: Congressman Andrews and a group of physicians from his district met recently with the First Lady and Dr. Phil Lee of HHS. He was very happy with the meeting and very appreciative of the attention they received.

CONGRESSMAN SANDER LEVIN (D-MI) - Congressman Levin is quiet member who can be helpful behind the scenes. He is not particularly close to Stark, and doesn't always follow his lead. He will be influenced mainly by unions and their retirees. In addition, Levin has a large teaching hospital in his district and he actively defends Graduate Medical Education payments. He helped draft the Stark-Gephardt compromise in the 102nd and was one of the last defenders of the Medicare Catastrophic Act.

Congressman Levin believes that consumers want fraud, waste and abuse cut before they are willing to pay more. He also believes that the Administration can cut costs by using home care and living wills. He feels that Congress will need plenty of Presidential leadership and warns about over-promising.

Recent Developments: Congressman Levin has been clamoring for more meetings and undoubtedly was one of the Members who contacted Congressman Stark about having a meeting with the First Lady after the McDermott cosponsors meeting.

CONGRESSMAN BEN CARDIN (D-MD) - Congressman Cardin filled Majority Leader Gephardt's seat on Ways and Means in 1989. Cardin is an insider and a team player who has been loyal to Chairman Rostenkowski. Although not particularly close to Stark, he has never crossed him. Cardin worked with Stark to draft the Stark-Gephardt health care plan in the 102nd Congress. Although relatively new to the House, is no newcomer to politics.

Maryland is a state out in front on cost control initiatives and Cardin will be protective of its initiatives. Cardin has advocated an all-payer rate setting system like the one he helped create when he was in the state legislature. In addition, he believes the federal government should adopt national standards and use the states for implementation. He urges the President and the First Lady to conduct extensive consultation before introduction. Cardin also believes that health care reform should be done this year.

CONGRESSMAN JIM MCDERMOTT (D-WA) - Congressman McDermott's key role in health care reform is obvious to all. His influence goes well beyond his being one of only two physicians in the House, his closeness to Speaker Foley, and his lead role as a single payer advocate. He is well-liked by his colleagues and at home in Seattle. His support of the final package will be key and every effort is being made to gain that support.

McDermott's checklist of criteria for measuring health care reform proposals includes: universal coverage; portability; a standard package sufficiently generous for people to stay in the system; choice of physician or provider; elimination of pre-existing condition exemptions; verifiable cost-containment; cost-containment applied to the entire health care delivery system; simplification of the administrative system; access for rural areas and inner cities; elimination of insurance company second guessing of medical decisions; and reduction of administrative costs in the health care budget.

Recent Developments: Following the meeting with the First Lady on June 23rd, Rep. McDermott stated that "we're getting into the realm of where it would be possible for us to support it [the Administration's plan]." However he still was seeking assurances that there will be "nothing standing in the way of a single payer system." That meeting was also the driving factor behind today's meeting -- after all the publicity that meeting received other subcommittee members also wanted the opportunity to meet with the First Lady. Congressman McDermott met with The Speaker and the Majority Leader today (June 29th). By all reports that meeting went very well.

CONGRESSMAN GERALD KLECZKA (D-WI) - Congressman Kleczka is a nine-year House veteran and one of the newer members on the Ways and Means Committee and its Health Subcommittee. He is from a safe, largely Polish, Democratic district from the south side of Milwaukee, Wisconsin. Known as a street-smart combative politician, he votes dependably with the Democratic Leadership. He is a smoker and takes money from the tobacco lobby. Kleczka was a cosponsor of Congressman Russo's single payer bill in the last Congress but Congressman Gephardt considers him a reliable vote for the Administration's health reform initiative.

COVERAGE

- All citizens and legal residents entitled to nationally guaranteed benefit package

- Guaranteed benefits include:

  Typical employee benefits: inpatient and outpatient hospital services, services of physicians and other licensed professionals, outpatient prescription drugs, laboratory and diagnostic services, pregnancy-related services, post hospital nursing home, home health, and rehabilitation services

  Additional benefits: preventive services (immunizations, mammogram); mental health and substance abuse services; some dental care

  Benefit changes over time: A national board reviews coverage periodically to reflect changes in medical practice.

- Out-of-pocket costs:

  Fee-for-service plan:

Deductible:	$200 per person; $400 per family
Coinsurance:	20%
Limit:	$3000 - $4000 per family

  No out-of-pocket costs for clinical preventive services. Separate deductible and co-payment for prescription drugs and mental health services.

  HMOs and other organized delivery systems available with lower cost sharing, e.g. $10 per visit.

  Benefits beyond the guaranteed package: Employers can supplement cost-sharing for employees and purchase extra benefits for employees, but only with after-tax dollars. Individuals may purchase services beyond the guaranteed package with their own, after-tax dollars.

SOURCES OF COVERAGE

- Coverage for all workers financed through mandated contributions from **all** employers and employees.

  Employers pay 80% of alliance average premium up to 7.6 percent of each employee's wages. (Employers who now pay more than 80% may continue to do so.) **For small employers who employ low-wage workers, employers will pay a lower percentage of each employee's wages.**

  Employees pay 20% of alliance average premium up to 1.9 percent of wages. For employees reaching the payroll cap, unearned income is applied toward the premium.

  Self-employed and those with unearned income pay premium up to 9.5% of income.

- **Medicare:** Initially remains a distinct program, modified to include coverage for prescription drugs.

  When state systems for the population under age 65 are in full operation, states can seek federal approval for integration of Medicare program.

- **Medicaid:** Medicaid beneficiaries have same choice of plans as others. Premiums are financed by continuing current Medicaid expenditures (maintenance-of effort requirements), and used to contract with alliance plans. All plans are required to cover Medicaid beneficiaries.

  States also continue to provide to current eligibles, working or not working, Medicaid services (for example, extended rehabilitation services) beyond the guaranteed benefit package, under current rules.

- **Other federal programs:**

  Department of Veterans Affairs: All veterans receive choice of VA health plan or other plans offered to general public. Current beneficiaries are guaranteed protection of current benefit levels. Management flexibility is allowed to enable VA system to compete successfully with other plans.

Department of Defense: Department reports on integration with broader system one year following enactment. Objective is to promote development of DOD health plans as option for DOD beneficiaries, subject to commitment to military readiness requirements. Current beneficiaries are guaranteed protection of current benefit levels.

Indian Health Service: Resources enhanced consistent with providing native Americans guaranteed benefit package. Tribes receive funds directly from Indian Health Service. Individual Indians may choose to enroll either in IHS plan or in plans available to general public.

Federal Employees: Federal employee program fully integrated into program established for the general public.

- **Workers Compensation and Auto Insurance:** Individuals injured at work and covered by workers' compensation or injured in auto accidents receive health benefits through their health plans with payments made (under a fee schedule) by workers compensation and auto insurers.

NATIONAL HEALTH BOARD

- President appoints (with advice and consent of Senate) 7-member board to set national policy and oversee overall health system. Members will be selected based on experience and expertise in health care finance and delivery, consumer protection, business, state government and service to vulnerable populations.

- Board has responsibility to review and update the guaranteed benefit package, to implement and enforce constraints on health plan premiums (the national budget) and develop and oversee quality management and improvement program.

HEALTH ALLIANCES

- States must establish one or more alliances (purchasing groups). Non-compliance leads to financial penalties (subsidies, tax preferences) and federal enforcement.

- Alliance areas are defined by the state but may not segregate populations by race, income, or health status. Only one alliance serves each area.

- Alliances may be state agencies or non-profit organizations, directed by boards representing employers, employees and other consumers.

- All except the largest employers (up to 5000 employees) are required to make their premium contributions to an inter-alliance fund.

- Alliances are responsible for ensuring that all citizens and legal residents enroll in plans; that plans provide guaranteed benefit package, provide consumer information, meet quality standards, offer dispute resolution mechanisms, serve underserved and low-income populations.

- Alliances must offer consumers a choice of at least one plan which is fee-for-service.

- A state could require an alliance to offer only one plan, contracting directly with providers -- in other words, a single-payer system.

- Alliances are purchasers, not regulatory agencies. Their primary responsibility is to negotiate premiums with health plans and to provide consumers information to evaluate and choose among plans.

- Large employers and Taft-Hartley plans with more than 5000 employees are not required to participate in the regional alliances but they may participate in regional alliances if they purchase coverage at an experience rate. Those not participating in the regional alliances must offer employees a choice of plans and ensure compliance with rules governing the regional alliances, as above.

HEALTH PLANS

- Plans contract with alliance to provide guaranteed benefits within negotiated per person payment. Fee-for-service plans, like other plans, must operate within per capita constraint.

- Plans must charge same premium for all enrollees, must accept all applicants and may not terminate coverage.

- Plans whose enrollees are disproportionately old or high-risk receive extra payments (risk adjustments).

- Plans must participate in federally established quality management and improvement program.

- Plans must meet solvency requirements, enforced by the state. State-established guaranty funds protect in the event of bankruptcy.

- Plans must provide consumer grievance and appeals procedures.

- Plans may be required to contract with essential community providers, serving low-income people in their communities.

- Plans may be made up of (owned by) providers or may contract with selected providers for services. Terms of provider payment will range from fee-for-service to salary arrangements.

COST CONTAINMENT

- **Open issue: short-term controls under discussion.**

- When new system is fully implemented, health plan premiums are constrained as follows:

  Federal law establishes per capita spending limit nationally for guaranteed benefit package.

  A national board determines state premium targets by adjusting national average premium to reflect each states' population characteristics (age, gender, health status) and historical costs, relative to the national average.

  The targets are increased annually based on a national formula to reflect inflation (e.g. CPI + a fixed percentage).

  State health plan premiums, on average, cannot exceed state premium target, as described below.

- Initial enforcement of premium targets is the responsibility of the federal government. If targets are not achieved, the federal government sets premiums directly and may set provider payment rates.

- States assume responsibility for enforcing premium targets after initial implementation. If alliance fails in negotiation, state achieves target by freezing enrollment, surcharging high-cost plans to encourage enrollment in low-cost plans, regulating provider rates directly, or regulating premiums.

QUALITY MANAGEMENT AND IMPROVEMENT

- National Board establishes and implements quality management and improvement program with uniform annual performance reports on: selected measures of outcome, consumer satisfaction and access to care. The federal government provides funding for, and a clearinghouse for, outcomes research and practice guideline development.

- Clinical Laboratory Improvement Act reform under discussion for improvement and streamlining.

ADMINISTRATIVE SIMPLIFICATION

- Develop single, standard insurance claim form for all insurers, establish standard rules for reimbursement and standardize insurance transactions, including billing.

- Streamline coordination of benefits among plans, providers and patients.

- Require states to coordinate licensing and certification visits to hospitals and other health care institutions from government agencies and outside organizations.

- Establish standard and unique provider numbers for providers, patients and institutions.

PROTECTING UNDERSERVED POPULATIONS

- Federal government supports health services for high-risk populations and invests in health care system in underserved rural and urban areas.

- Federal support continues for services such as transportation and translation that ensure access for vulnerable and underserved populations.

- Health alliances assure participation in new system by contracting with essential community providers -- also called "safety net" providers -- or requiring health plans to do so.

MALPRACTICE REFORM

- Health plans required to establish alternative dispute-resolution mechanisms.
- Contingency fees in malpractice cases limited to no more than one-third of total recovery.
- States required to impose limit on awards for non-economic damages, allow periodic -- rather than lump sum -- payments at request of either party and reduce damages by amount of payments for medical costs covered.
- States have option to pursue enterprise liability.

FRAUD AND ABUSE

- Federal law establishes criminal penalties for health care fraud.
- Civil monetary penalties established for submitting false or fraudulent medical claims, routinely waiving co-payments, unbundling charges, failing to report required information, submitting false or fraudulent statements, denying care to eligible individuals.
- Extends prohibitions against kickbacks and self-referrals to all health plans but allows "safe harbor" exceptions.

BANKRUPTCY AND ANTITRUST

- McCarran-Ferguson exemption is amended for health insurers to assure that anti-trust law applies.
- Physicians and other providers who hold an equity stake in a non-fee-for-service plan can negotiate or set prices collectively for services in the plan.
- Institutional providers may enter into cooperative arrangements to share services if a state actively supervises their activities under a state policy intended to replace competition with regulation.

HEALTH CARE WORKFORCE DEVELOPMENT

- Total number of first-year residency positions limited to 110% of graduates of U.S. medical and osteopathic schools, with total limited to produce 50-50 distribution between specialists and generalist practitioners.

- New process developed to involve public and private sector in distributing residency slots among geographic regions based on population.

- Expands training settings eligible for Graduate Medical Education funding to include community-based sites outside hospital.

- Expands National Health Service Corps to 16,000 professionals, provides 4,000 scholarships each year and expands loan-forgiveness program to include health professions other than doctors.

- States are prohibited from enacting scope of practice laws that restrict practice of health professionals for reasons other than skill or training.

- Increases funding and loans for training of non-physician health professionals.

PUBLIC HEALTH AND PREVENTION

- States required to maintain current level of support for public health and prevention.

- Federal block grants to states to support core public health activities, including health status surveillance and monitoring, disease prevention and control.

- Grants support prevention objectives in **Healthy People 2000**, with funds allocated to states by formula based on needs and per capita. Activities targeted to prevention of chronic and infectious disease.

ACADEMIC HEALTH CENTERS AND MEDICAL RESEARCH INITIATIVES

- Unique costs of Academic Health Centers are spread across all health plans in the community.

- National Institutes of Health supports prevention research in priority areas, including child health, reproductive health, chronic illness, mental health and substance abuse, AIDS and HIV infection, tuberculosis and infectious disease.

LONG-TERM CARE

- **Home and community-based care:** New federally-financed, state administered program established for home and community-based care. Program has following characteristics:

  -- Array of services defined by the state (to include **at least** personal care services) available to severely disabled persons of all ages.

  -- State establishes mechanisms to determine eligibility, develop care plans, coordinate services and assure quality.

  -- Federal funding capped for each state based on estimated numbers of eligible patients and per capita spending. Funding increases annually with consumer price index plus a fixed amount.

  -- Eligible individuals entitled to $500 per month in services; additional benefits may be provided on a funds-available basis.

  -- Individuals with incomes above 150% of poverty pay 20% of service costs.

- **Improvements in Medicaid nursing home benefits:**

  -- All states required to establish medically needy programs, allowing individuals with incomes exceeding eligibility levels to "spend down" to become eligible for Medicaid.

  -- Nursing home residents allowed to retain $12,000 (up from the current $2,000) in assets and $100 per month (up from the current $30) in income.

- **Private long-term care insurance**

  -- Preferred tax treatment now accorded health insurance medical spending is extended to cover long-term care insurance premiums and expenses.

  --States required to establish a plan for regulating the content and sale of long-term care insurance policies.

- **Tax incentives for working-age persons with disabilities**

  -- Disabled individuals are entitled to tax credits for work-related personal assistance services.

MEMORANDUM

TO: Steve Edelstein, Judy Feder, Jerry Klepner, Lynn Margario, Steve Ricchetti, Jeff Eller, Christine Heenan, Ira Magaziner, Karen Pollitz, Melanne Verveer

July 12, 1993

FR: Chris Jennings

RE: Thursday's 3:30-5:30 Planning Meeting for Congressional Health Care Policy Briefings (Formerly Known as the Health Care University) in the First Lady's Office--Room 100 OEOB.

As you all know, the Congressional Leadership -- in particular, Majority Leader Gephardt, Majority Leader Mitchell, and Senator Daschle have suggested and are enthused about the establishment of a health care briefing process for the Members. They believe it will serve the important purpose of educating the Members about the many problems with the health care system, the policy the President is coming up with to address the problems, and the rationale behind the various proposals.

The First Lady believes the health care briefings have great potential and has asked that we immediately move to set up the mechanism to be responsive to the Congressional Leadership's idea. As the attached agenda for the meeting helps illustrate, much has to be done in order to establish a workable briefing process.

In order to be responsive to Mrs. Clinton's desire that we be well on our way to finalizing the groundwork for the briefings by the time she returns, we have set aside a two hour block (3:30 to 5:30) for a Thursday meeting on this subject. In addition to the agenda, we are attaching the latest draft of the memo that was written, in conjunction with Jerry Klepner's shop at the Department, to give broad suggestions as to how to best implement the briefing process.

If there is anyone else you believe should attend this meeting, please contact me. Look forward to seeing you on Thursday. Thanks.

Meeting on "Health Care University"
July 15, 1993 -- 3:30-5:30 p.m.

AGENDA

- **New Name for HCU**
- **Topics for Briefings**
- **Speakers**
  - External Experts
  - Process for Selection
  - Names
- **Briefing Materials**
  - Type of Materials
    - Handouts
    - Charts and graphs
  - Who prepares
    - Speakers
    - Health Care Staff
    - Role of DPC/Democratic Caucus
  - Time Line for Production
- **Sessions**
    - Administration Briefings
    - Congressional Briefings
- **Scheduling**
  - Set Dates
  - Scheduling through DPC/ Dem. Caucus
  - Cabinet Affairs
- **Follow-up Meetings on set up of "University**
  - Schedule
  - Participants

HEALTH CARE UNIVERSITY CONCEPT/IMPLEMENTATION PROPOSAL

Majority Leader Gephardt, Majority Leader Mitchell, and Senator Daschle have repeatedly raised concerns about the limited education level of Members as it relates to health care. Senator Daschle and Congressman Gephardt have promoted the establishment of a kind of "health care university" for Members of Congress. They believe the "classes" should be **open to Members of both parties.** The First Lady believes that the Leadership's suggestion is excellent and should be implemented as soon as practical and advisable.

Mrs. Clinton has asked that the following proposal for a series of health care briefings (she would prefer to use a title other than Health Care University) by Administration health policy and legislative affairs representatives be given to and reviewed by the Congressional Leadership and their staffs. **Before proceeding with the outline, however, we wish to stress that the Administration believes these important presentations should be viewed as a supplement to, and not a substitute for, the consultations that have and will continue to take place with the Congressional Leadership.**

We believe that the establishment of a health care university-like entity (from now on referred to -- at least temporarily -- as **health care briefings**) has great potential. If done well, it the process should:

(1) Reinvigorate the "need for action" mentality that, until very recently, had been effectively fanning the flames of desire for comprehensive health reform in the Congress;

(2) Ease Congressional concerns about, and raise Member comfort levels with, the President's proposal to address the problems;

(3) Better enable prospective Congressional supporters to explain, defend, and sell the President's proposal; and

(4) Be utilized to help educate surrogates in home Congressional districts.

Achieving success in briefing Administration, Congressional, and other influential individuals will depend on the ability of the health care briefings to: (1) communicate our message in a simple, understandable way; (2) utilize staff resources most effectively; and (3) be responsive to the information needs and time constraints of those we will rely on to support the President's health reform initiative. To develop and implement an effective educational briefing process we will have to successfully:

- **Target the Issues**
- **Target the Best Personnel to Make Presentations**
- **Establish a Staff/Intake and Scheduling Process**
- **Prepare the Briefing Materials and Presentations**
- **Brief and Train the Briefers**
- **Develop a Workable Timetable**

TARGET THE ISSUES

The briefings should convey a simple, concise message and be responsive to what we know to be **the major thematic priorities and interests of the majority of the Congress.** As a first cut, we propose limiting the briefings to no more than 10 broad-based issues:

(1) **An Overview of the Plan, its Design and its Philosophy;**

(2) **Consumers in the New System;**

(3) **Cost Containment and Budgets;**

(4) **Savings, Costs and Financing;**

(5) **Small and Large Businesses in the New System;**

(6) **Health Care Providers in the New System;**

(7) **Federal/State Roles;**

(8) **The Elderly in the New System;**

(9) **Rural Communities and the New System; and**

(10) **Urban Communities, Underserved, and the New System.**

Issues such as Medicare, Medicaid, Veterans, Federal Employees Health Benefits, medical malpractice, anti-trust, quality, public health, benefits, etc. would be incorporated into the above mentioned categories. Special and more detailed briefings on these and the whole range of other issues would be provided to Administration representatives, Congressional Members and staff on an as-needed and requested basis.

TARGET THE BEST PERSONNEL TO MAKE PRESENTATIONS

Briefing Members of Congress always has the potential for great benefits, as well as great risks. The key is for Members to leave the presentations both impressed with the substance of the information given and the competence (and likability) of the presenters.

Included in the definition of a competent Congressional briefer is knowing -- going in -- what are the historic sensitivities of the Members present, in other words, to know what to say and how to say it and to know what not to say. If the personnel chosen meet these criteria, the benefits of these briefings are almost boundless. If, on the other hand, Members leave presentations with a sense that briefers are either incompetent, arrogant, condescending, and/or disrespectful, an effort with the best of intentions could well turn out to be a total disaster. All of this is to say that the personnel chosen for Congressional briefings is critically important.

Policy Expert Resources

Within the White House health care working groups and the Departments (in particular, HHS), the Administration has an impressive array of health care policy experts who could serve in briefing roles extremely well. (In most cases, Ira and Judy -- in particular -- have been, and likely will continue to be, very well received.) Having said this, the other briefers that we will need must be evaluated carefully -- keeping in mind not only how competent they are, but how well they will be received by different collections of Members. (We have prepared a tentative staff resource list linked to the ten topics previously mentioned, but it is undergoing final review by the White House and HHS; in any event, it will be a continually updated list based on the briefers' performance and Congressional reception.)

Legislative/Policy Resources

We strongly advise that those most familiar with the Congress and their predilections -- the Administration's Legislative Affairs staff -- play a major role in briefing the Members and the staff on this issue. The White House and Departmental Legislative Affairs staff (particularly at HHS) have strong and long-standing relationships with the Members and staff that should be utilized to the benefit of the Administration's health reform effort.

At every briefing, there should be one Legislative Affairs Administration representative who has equal status to the policy presenter. This is absolutely necessary to best assure that no situation gets out of hand, that there is a politically sensitive individual always present, that there are careful notes of the meeting, and that responsive follow-up occurs.

ESTABLISH A STAFF AND SCHEDULING PROCESS

The scheduling of the university and other requested briefings should be coordinated out of the War Room. This work should be closely coordinated with the Department of Health and Human Services' Office of the Assistant Secretary for Legislation (ASL and other Departments as necessary). In addition, we should work closely with the House Democratic Caucus and the Senate Democratic Policy Committee to help coordinate topics, schedules, and rooms. The schedule of all briefings should be updated daily, provided to Steve Ricchetti/Chris J./Jerry K./Karen P., and announced at the morning Communications meeting.

To ensure that the briefing operation is a success requires an experienced and politically sensitive staff person who can work closely with the Congressional Leadership and Administration personnel in meeting the scheduling and substantive needs of the Members. We propose that Steve Edelstein take on this role (in addition to his other responsibilities) and work with Lori Davis and other staff at HHS to assist him. Depending on the volume of and desire for briefings, additional staff (perhaps a full-time intern who is mature and responsible) may be required.

PREPARE THE BRIEFING MATERIALS AND PRESENTATIONS

In order to ensure the delivery of a consistent, simple, understandable message, we need to prepare educational materials for the presenters in advance of the briefings that all staff can and should use. Educational materials should include charts, graphs, detailed outlines to guide presentations, questions and answers as appropriate. These materials and presentations should be user friendly and targeted to specific audiences.

Working with the initial approval of Ira and Judy, as well as the Legislative Affairs staff, Steve E. will assign one policy expert to each of the issues chosen for briefings to take the lead in preparing the substance of the briefing materials and their presentation. He will make certain that each presentation is finalized on time and in the best format possible. The Communications staff will review and edit the briefing materials for clarity, directness, and consistency of message.

The presentations will also be screened by Legislative Affairs staff to ensure that they meet the needs of the audience. (They will know who is attending because we propose to limit the size of each briefing to between 25-35 Members and have them signed up in advance of the briefing; we believe that such a small structure will best assure a less lecture-like atmosphere and better encourage a give and take constructive discussion.)

Each "class" will be structured to briefly outline the problem(s) with the current system, how the President's proposal addresses the problem(s) (if relatively non-controversial), and the rationale behind the Administration's proposal. The briefings will be designed to last no longer than 60 minutes: 20-30 minutes (at most) of presentation and 30-40 minutes for questions and answers. On an as needed basis, these classes will be repeated.

Substantive and detailed presentations about the most controversial policy recommendations -- if they are even available -- of the President's proposal should be avoided. There is great concern among the Congressional Leadership that controversial recommendations -- such as financing, exact cost containment mechanisms, etc. -- could lead to public and potentially problematic disclosure. Instead, the Majority Leaders have suggested that we detail the **options** we are considering to address the most challenging issues.

BRIEF AND TRAIN THE BRIEFERS

Communications staff will be needed to provide guidance to all briefers on how to orally deliver their presentations in an easily understandable manner. In addition, before each presentation, the Legislative Affairs staff from either the White House or the appropriate Department (usually Jerry Klepner's shop) will brief the presenters on who will be in the audience, what issues are particularly sensitive, what issues to highlight, and how best to present complex, potentially controversial materials.

DEVELOP A WORKABLE TIMETABLE

We need to make a final decision as to when it would be most appropriate and useful to commence the health care seminars. Senator Daschle originally envisioned the "classes" beginning after the legislation had been introduced. Majority Leader Gephardt believes it is advisable to hold a series of briefings in one or two days of presentations in an attempt to hold a dry run -- presenting options not final decisions -- in an effort to begin to work out the kinks and determine what briefing format will work the best in September. We need to discuss the best start-up time with the Leadership.

Lastly, Congressman Gephardt has initiated an invitation for the First Lady to speak before the House Democratic Caucus soon after she returns from her July trip (roughly the 21st). The goal for this presentation is for Mrs. Clinton to reinvigorate the Members into feeling that health care reform is a political and economic imperative.

If the President is going to unveil his package by not later than late September, the implementation of the start-up recommendations for the health care briefings must occur almost immediately. The following outlines a possible workplan timeline to help with tentative scheduling.

WORKPLAN TIMELINE

Activity	6/27 7/5	7/12 7/19 7/26	8/2- 8/30	9/6	9/13 9/20 9/27
Target Issues	¦-------¦				
Target Personnel	¦----------¦				
Finalize Staffing	¦-------¦				
Prepare Briefing Materials	¦----------¦				
Brief the Briefers		¦---------¦	(on how best to communicate/ legislative prep)		¦----------¦ (communication and leg. prep continues)
Hone the Message			¦----------¦		
HRC CAUCUS PRESENTATION		¦--------¦			
CONGRESSIONAL BRIEFINGS			¦---¦ Dry run 1st briefing before recess		¦----------¦ RETURN TO briefings and continue them even after introduction on a bipartisan basis.

PRIVLIGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton/Patti Solis
FR: Chris Jennings
RE: Congressional Requests/Events
cc: Melanne, Steve R.

July 22, 1993

Attached for your review is a summary of our highest priority, pre-August recess Congressional meeting requests. You will be familiar with most of the meeting requests outlined. A number of them have been on hold for some time now and, for those that you approve, it would be greatly appreciated if we could get them scheduled as quickly as possible.

In the "reconciliation-only" environment, there is understandable sensitivity by everyone within the White House about any meeting with Members that has any distraction potential. For example, one of the last requests outlined --the Caucus-- has already raised some concern with Howard's shop, and it may fall into this category.

Patti, give me a call if you have a need for any additional information at ext. 2645. Thanks for your assistance.

Congressional Request	Rational for Meeting	Time Frame	Staff Contact
Senate Small Business Committee (Bi-Partisan)	In response to request from Sen. Bumpers and to illustrate HRC's knowledge about and concern for small businesses.	July 27th or July 28th at lunch	Ann Logan or Laura Lecky 225-5175
Education and Labor Committee (Democrats)	In response to long-standing invitation from Chairman Ford and to hold meeting with the one major committee of jurisdiction the HRC has yet to meet.	Anytime on Tuesday, Wednesday, or Thursday during week of July 26th that is convenient with both HRC's and the Chairman's schedule.	Patricia Rissler 225-4527
Majority Leader Gephardt, Majority Leader Mitchell(?), Senator Daschle	Establish structure of and use of Health Care University for Members.	Tuesday at 5:00	Rima Cohen 224-2321
Cong. Bill Clay, Chairman of the House Post Office and Civil Service Committee	Response to long-standing invitation from Chairman Clay to discuss integration of federal employees health benefits into the health reform structure.	Anytime on Wednesday or Thursday during week of July 26th that is convenient with both HRC's and the Chairman's schedule.	Gail Weiss 225-4054

House Small Business Committee (Democrats and possibly Bi-Partisan)	Response to long-standing invitation from Chairman John LaFalce and for same reasons as outlined for Senate Small Business Committee.	Thursday, July 29th or early in the following week	Donald Terry 225-5821
Senator Bob Dole	We have not met on health care issues with Senator Dole for months, and a meeting would be advisable, if for no other reason than to attempt to create an environment in which he might tone down his criticism of the President's plan when initially released. In addition, ongoing separate meetings with Senate Republicans will be sure to raise hostility from Dole if he believes he is being subverted.	Late in week of July 26th or early in following week Under any scenario, if HRC approves, please contact Dole Office sometime this week.	Shiela Burke 224-2105
Combination Meeting with House Tuesday and House Wednesday Republican Groups	In response to invitation extended by Congressman Machtley (R-RI), who chairs the Tuesday Group, when he met with Ira recently. In combination, the Tuesday and Wednesday groups represent the most moderate Republicans in the House. It is advisable to interact with these members prior to the August recess because it will be unlikely that we will have time to met with them in September.	If possible, during the week of the July 26th or the following week.	Tim Meyer Office of Rep. Machtley Office 225-4901 Also, coordin-ate with Wednesday Group
Two Joint House Congressional Message Group Meetings	Continuation of HRC's involvement with the development of the health care reform message.	July 28th and August 4th at 12:30	Debra Silimeo 224-2322

Senate Democratic Policy Meeting	Response to Sen. Daschle's request for a presentation by HRC to the rank and file members on health care reform and small business.	Uncertain	Debra Silimeo 224-2322
Senator Rockefeller Meeting	To go over the details of where we stand on policy. We will benefit from both his guidance in this area, and he will be appreciative of our responding to his long-standing request to do this.	Week of August 2nd for a 2 hour time slot.	Tamera Stanton 224-6742
Congressional Leadership "friends of health care" meeting -- Gephardt, Mitchell, Bonior, Daschle, Pryor, etc. (Small).	To politically and substantively "vet" the policy currently under consideration and to get guidance prior to these Members' departure in August. It is advisable not to go to non-congressional leadership Members for this meeting because those Members we do not invite will feel slighted.	Week of August 2nd if these Members are available.	Chris J. X-2645
Reps. Kennelly, Matsui, Cardin, Levin(?), Hoagland, and Neal	These influential members of the House Ways and Means Committee want to meet with HRC in order to have a political discussion on how to get the support of this Committee for health reform.	Anytime in the next two weeks.	David Buonora 225-2265

House Leadership	Majority Leader Gephardt's Office has requested that HRC hold a meeting with the House Leadership (ie Foley Gephardt, Bonior, Rostenkowski, Dingell, Ford, Stark, Waxman, and Williams) prior to the August recess. (This meeting should at least be offered to the Leadership if the Democratic Caucus meeting --see below page-- does get scheduled.)	Week of August 2nd Status of this meeting request is uncertain pending discussions with Howard and Steve.	Andie King 225-0100
House Caucus	The House Caucus has requested that HRC address them on the political need and attractiveness on health care prior to August recess. This request is now on hold pending internal and Caucus decisions as to whether a pre-reconciliation-passage meeting is advisable. If the meeting occurs, the Caucus might like to follow it up with a few presentations that represent the kick-off of the Health Care University presentations.	July 30th, tentatively.	Melissa Schulman 226-3210
House Energy and Commerce Committee and Subcommittee (?)	Rep. Waxman has requested that HRC meet with the full committee or, perhaps, the Health Subcommittee to bring them up to date on the legislation and to calm their nervousness about the comprehensiveness of the plan and the utility of the plan for helping low-income Americans.	Anytime in the next two weeks.	Karen Nelson 225-0130

Date:_____

Time:__:__

THE WHITE HOUSE

FAX COVER SHEET

TO: Steve R

Phone: (___)_____

FAX: (___) 2604

FROM: Chris Jennings

Phone: (202) 456-2645

Pages following cover sheet = 5

U.S. House of Representatives
Committee on Energy and Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515-6115

July 22, 1993

M E M O R A N D U M

TO: Chairman Dingell

FROM: Michael T. Woo

SUBJECT: Meeting with Steve Richetti: White House Health Care Congressional Liaison

Donald Shriber and I have met with Steve Ricchetti who works for Howard Paster. Steve has been chosen to be the White House's point person on health care. We have had several frank and useful conversations about the legislative process of considering health care. Don and I agree that these meetings have been the most productive meetings we have had with the Administration on health care. I am bringing Steve around to meet with several of the swing Committee Members.

The following is a tentative legislative schedule for consideration of the health care bill.

Between Now and Mid-September

The Administration would work to issue a "white paper" by mid-September which outlines the Administration's Health Care Plan (Plan). Besides working on the substance of the plan, the Administration would work with business, labor, health care groups, and consumer groups to develop political support for the Plan. The hope would be to get the groups that should be with them to be supportive when the Plan is unveiled in September.

We are helping them work with a group of major companies (Big Three, ATT, Allied Signal, U.S. Steel, etc.) which should be supportive of health reform. It has been the case that individual businesses have had little meaningful contact with the Administration.

Mid-September Through Mid-November:

The Administration would use this time to get support from the public, interest groups, and Congress. We would work with the Administration to garner the support of a majority of the Members of the Committee. At the same time, we would work with them to finalize the legislative language.

Mid-November through Mid-February:

The actual legislative process would start with hearings and markups. The legislative process would start in the Senate. The Senate is likely to be the main stumbling block to meaningful health care legislation because of the potential for a filibuster. A "Senate first" strategy will make it clear how many votes the Senate has to pass a meaningful health care bill. If there are more than 60, the legislative log-jam will have been broken and we could proceed. If there are less than 60 but more than 50, a rationale would be established to use the reconciliation route which is filibuster proof. Obviously the Byrd Rule would have to be overcome. If there are less than 50 votes, meaningful legislation is probably not possible.

An alternative strategy would be to allow the Senate to pass any kind of health care bill and conference the bill into a meaningful health care bill. The Senate would then be confronted with an all-or-nothing Conference Report vote. This is a very risky strategy which requires House Members to take difficult votes in the absence of Senate responsibility.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Meeting with the House Small Business Committee
cc: Melanne, Steve, Lorraine, Distribution

July 25, 1993

Tomorrow you are scheduled to meet with Congressman John LaFalce and the bipartisan membership of his Small Business Committee. This is in response to a longstanding request from the Congressman for such a meeting, which he also relayed to you personally when he met with you on June 29th.

BACKGROUND:

This meeting is part of an ongoing outreach effort to the Chairman and to his committee. In addition to your meeting with Congressman LaFalce a month ago, Ira has met with him, we have held a small meeting with his committee staff, and we had Ken Thorpe brief the staff of the members who serve on the Committee.

As you recall, Congressman LaFalce is a cosponsor of the McDermott single payer bill. He feels that it is very important to break the link between employment and health care. His upstate New York district, which includes Niagara Falls, lies on the Canadian border. His constituents have a familiarity with the Canadian system (often through friends and relatives who live there) which makes the decision more comfortable for him.

He realizes, however, that single payer requires taxes which are too high. He also believes that the dislocation of people caused by the complete restructuring of health care is a good argument against that approach.

While he is not a major player on health care, Congressman LaFalce wants to help. If given sufficient attention, he can serve as a useful connection to the small business community. He is close to John Motley of NFIB. LaFalce's support may help us by taking some of the vitriol out of their public opposition. At the very least, his approval provides us with a credible counterweight to their attack. In addition, his committee can serve as a forum for airing our message on health care and small business.

Given the large Freshmen class in the House, the House Small Business Committee -- as one of the lesser committees -- has a lot of new members, since more senior members of the committee have moved on to more coveted assignments. The 45-member committee includes 12 Democratic and 13 Republican freshmen. It is also notable for its high representation from the House caucuses -- 9 members of the Congressional Black Caucus and 2 members of the Congressional Hispanic Caucus among its 27 Democratic members.

Attached for your review are brief profiles of the members of the Small Business Committee, the first draft of the small business notebook, and the table comparing the current system with the reformed system as it pertains to small business concerns.

MEETING FORMAT/STRUCTURE

Based on our conversations with the Committee, we anticipate a very large turn-out of Members -- it could be as many as 40. Because of the size, the Committee will not be able to set up a table around which everyone can sit. Therefore, the room will be set up conference style. You will sit up front with Chairman LaFalce, and possibly the Ranking Republican, Congresswoman Jan Meyers (R-KS). Chairman LaFalce will introduce you, and he hopes that you will give a brief presentation on the status and substance of the plan. Obviously, he would like you to focus your remarks on the plan as it affects small businesses. Following your presentation, he would like to open it up to the Members for comments, suggestions, and questions.

TALKING POINTS

I believe you would probably be best advised to focus your remarks on three themes (in whatever order you think best): (1) the philosophical underpinning of shared employer/employee responsibility inherent in the plan; (I believe most of the Members will find appeal in your discussion about the small town small businessperson who pays for her employees, while effectively also paying for the business and employees who have not purchased insurance); (2) the overwhelming discrimination and burdens the current system places on small businesses, their families, and their employees, and; (3) how the Clinton plan will help small businesses.

The attached table provides good background information for a presentation about small business problems and solutions. On the solutions side, I would particularly focus on: 1) the likely reduction in premiums for most small businesses that currently insure; 2) the 100% self-employed tax deduction; 3) the integration of the health portion of workers' compensation into the reformed system, and; 4) the elimination of discriminatory insurance practices.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Joint Message Group Meeting
cc: Melanne, Steve, Distribution

July 27, 1993

Tomorrow you are scheduled to meet with the joint Senate and House Message Group. This is part of a weekly series of meetings with Members on in preparation for the unveiling of the plan. Tomorrow's meeting will focus on Questions and Answers (Q's and A's) and how to respond to criticisms of the plan. Mandy Grunwald and Arnold Bennett will lead the discussion on how to respond to criticisms of the plan. They will be working off the set of Q's and A's we sent up to the Hill prior to the Memorial Day recess. Obviously, the Members would like you to participate as you see fit. Before turning it back over to Senator Mitchell or Mandy, you may wish to make a few comments about the following subjects.

We are in the process of updating both the questions and the answers to reflect the recommendations of the Congressional Leadership staff and the result of the discussion at this meeting of the Message group. Please find a set of the original document attached.

TALKING POINTS:

Message Group and Focus Group Meetings: "I understand that the message and focus group meetings have gone well in my absence. The input we have received in those meetings will prove invaluable to us in preparing the Congressional notebooks and other pre-launch materials."

Congressional Notebooks: "We are in the process of preparing notebooks for the Leadership for their use and distribution to the membership as they see fit prior to the August recess. Included in these books will be a discussion of the "Cost of Doing Nothing," an overview of the plan (a brief description of the policy recommendations), the strengths piece (a message piece on how to talk about the plan), and an updated set of Q's and A's."

Update on Health Care University: "As you know, the plan is for the Health Care University to be held on a bipartisan basis after the announcement of the plan. I know, White House and Department Staff met last night with Senator Daschle and Majority Leader Gephardt to further develop the concept of the university. I look forward to continuing to work with the Leadership to establish a constructive schedule for meetings and consultations over the next few months."

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Meeting with the House Small Business Committee
cc: Melanne, Steve, Lorraine, Distribution

July 25, 1993

Tomorrow you are scheduled to meet with Congressman John LaFalce and the bipartisan membership of his Small Business Committee. This is in response to a longstanding request from the Congressman for such a meeting, which he also relayed to you personally when he met with you on June 29th.

BACKGROUND:

This meeting is part of an ongoing outreach effort to the Chairman and to his committee. In addition to your meeting with Congressman LaFalce a month ago, Ira has met with him, we have held a small meeting with his committee staff, and we had Ken Thorpe brief the staff of the members who serve on the Committee.

As you recall, Congressman LaFalce is a cosponsor of the McDermott single payer bill. He feels that it is very important to break the link between employment and health care. His upstate New York district, which includes Niagara Falls, lies on the Canadian border. His constituents have a familiarity with the Canadian system (often through friends and relatives who live there) which makes the decision more comfortable for him.

He realizes, however, that single payer requires taxes which are too high. He also believes that the dislocation of people caused by the complete restructuring of health care is a good argument against that approach.

While he is not a major player on health care, Congressman LaFalce wants to help. If given sufficient attention, he can serve as a useful connection to the small business community. He is close to John Motley of NFIB. LaFalce's support may help us by taking some of the vitriol out of their public opposition. At the very least, his approval provides us with a credible counterweight to their attack. In addition, his committee can serve as a forum for airing our message on health care and small business.

Given the large Freshmen class in the House, the House Small Business Committee -- as one of the lesser committees -- has a lot of new members, since more senior members of the committee have moved on to more coveted assignments. The 45-member committee includes 12 Democratic and 13 Republican freshmen. It is also notable for its high representation from the House caucuses -- 9 members of the Congressional Black Caucus and 2 members of the Congressional Hispanic Caucus among its 27 Democratic members.

Attached for your review are brief profiles of the members of the Small Business Committee, the first draft of the small business notebook, and the table comparing the current system with the reformed system as it pertains to small business concerns.

MEETING FORMAT/STRUCTURE

Based on our conversations with the Committee, we anticipate a very large turn-out of Members -- it could be as many as 40. Because of the size, the Committee will not be able to set up a table around which everyone can sit. Therefore, the room will be set up conference style. You will sit up front with Chairman LaFalce, and possibly the Ranking Republican, Congresswoman Jan Meyers (R-KS). Chairman LaFalce will introduce you, and he hopes that you will give a brief presentation on the status and substance of the plan. Obviously, he would like you to focus your remarks on the plan as it affects small businesses. Following your presentation, he would like to open it up to the Members for comments, suggestions, and questions.

TALKING POINTS

I believe you would probably be best advised to focus your remarks on three themes (in whatever order you think best): (1) the philosophical underpinning of shared employer/employee responsibility inherent in the plan; (I believe most of the Members will find appeal in your discussion about the small town small businessperson who pays for her employees, while effectively also paying for the business and employees who have not purchased insurance); (2) the overwhelming discrimination and burdens the current system places on small businesses, their families, and their employees, and; (3) how the Clinton plan will help small businesses.

The attached table provides good background information for a presentation about small business problems and solutions. On the solutions side, I would particularly focus on: 1) the likely reduction in premiums for most small businesses that currently insure; 2) the 100% self-employed tax deduction; 3) the integration of the health portion of workers' compensation into the reformed system, and; 4) the elimination of discriminatory insurance practices.