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THE WHITE HOUSE
WASHINGTON

OFFICE OF PUBLIC LIAISON

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FACSIMILE TRANSMITTAL COVER SHEET

Number of Pages (Including Cover) 3

To: Steve Ricchetti

Fax: 6-2604

Phone:

Date: June 20, 1994

From: Caren Wilcox

Message: FYI

[redacted]

SENATOR JOHN BREAUX IS PUTTING YOUR BUSINESS ON THE ENDANGERED SPECIES LIST

President Clinton insists that employers must pay for health care so that universal coverage can be achieved. This is the one feature the president has not compromised. He needs for you to pay for his version of a health care system without giving the system a chance to work or even giving you a chance to voluntarily agree to pay for employees coverage.

There are two ways to implement mandates that employers pay for health care:

(1) Make the mandate effective immediately with the implementation of all other parts of health care reform. **This is pure employer mandate as proposed by the president.**

(2) Make the mandate take effect at some future time. **This is a "trigger" as proposed by Senator John Breaux.** The "trigger" may be a particular date, such as January 1, 1996, or may be based on particular circumstances, such as the number of people uninsured. **A "trigger" means you forfeit your voice to respond to the future needs of employees and even your business. This is the worst kind of mandate... and it is being proposed by your senator.**

SENATOR BREAUX WAS ELECTED TO REPRESENT LOUISIANA...NOT TO GIVE LIBERALS SUCH AS TED KENNEDY ANOTHER VOICE IN CONGRESS. YOU NEED TO REMIND HIM TO KEEP A PROPER PERSPECTIVE OF HIS ROLE IN CONGRESS.

There will be a new health care system and method of paying premiums. Premiums will be based on the number of employees. Employers will be required to pay for spouses and families, even though the spouses or older children are working. This amounts to a payroll tax.

What can you do? If you support having Congress add a payroll tax to your business and control the health care system, then do nothing. It will happen.

If you oppose a payroll tax, or if you believe that employers will return to paying for health insurance once it becomes affordable, then you must notify Senator John Breaux of your opposition immediately.

The material below provides "talking points" you may use in writing your letter.

TIME IS RUNNING SHORT. YOUR RESPONSE IS NEEDED IMMEDIATELY. *A VOTE WILL BE TAKEN SOON. Phone 202/224-4623 or fax a letter to 202/224-4268. The Senator's address is on the back.*

Employer Mandates = Employee Mandates And, That Equals Lost Jobs and Less Pay

The Clinton Administration calls its mechanism for financing health care reform an employer mandate. Unfortunately, the burden of the Administration's plan will fall on the shoulders of American workers. Employees will pay for this mandate through lost jobs, lower wages and higher health care contributions. Facts tell the story:

According to a study by Lewin VHI, 80 percent of all U. S. businesses would face cost increases under the Clinton Plan. Almost 90 percent of that cost would be passed onto workers. The total price tag: $75 billion a year.

A recent study, by Pennsylvania-based economic consultants Consad Research predicts that 850,000 employees would lose their jobs because of mandates. Even President Clinton's Chief Economist, Laura D'Andrea Tyson, acknowledges a job loss under the employer/employee mandates. She estimates 600,000 out-of-work Americans due to the President's plan for mandates.

Without the Administration's $80 billion in taxpayer subsidies, the job loss would approach 3 million, according to Consad Research. And, the Congressional Budget Office says that the federal government could be out of money for subsidies by the end of the second year of the program.

But lost jobs are only part of the story. Workers will also suffer as a result of lower salaries and fewer benefits. The Consad Research study estimates that, under the Clinton Administration's mandate, 23 million workers would receive less pay and fewer benefits.

A mandate tied to payroll is a payroll tax, pure and simple. And, a payroll tax is a tax on jobs--paid for by workers. Employees already pay 2.9 percent of wages for Medicare, regardless of age or income. And, they pay another 12.4 percent for Social Security. Experts estimate that the Clinton mandates will add another 9.8 percent as a tax on payroll. In total, employees will be taxed 25.1 percent for entitlement programs. And, that's the most optimistic outlook. Other scenarios would push the employee tax burden to 27 to 30 percent of payroll.

A payroll tax is also the most regressive of taxes. It falls hardest on those least able to pay -- low-wage workers with families, younger workers in entry-level jobs, and women. A recent analysis by the Center for the Study of Business and Government concludes that uninsured workers would suffer annual wage cuts averaging $873, as employers pass on the cost of health care mandates. That's a tough pill to swallow, considering the average worker without insurance earned only $14,962 in 1993.

Many employees will pay more for health care under the Administration [redacted] more expensive than most existing company plans, even though the benefits [redacted] currently pay more than 80 percent of the cost of insurance, but under health care reform, they will have a tendency to gravitate to the minimum requirement--leaving it to employees to pay the rest.

Employees will also pay more because employee contributions will be made with after tax income. That means the costs of benefits will increase by the amount of income needed to pay federal, state and social security taxes.

What's more, the Clinton reform plan takes all the control of health care away from businesses and their employees and places it in the hands of government bureaucrats. Businesses will lose incentives to control costs and design competitive benefit packages that meet the needs of their employees. Businesses have proven that they can do a better job than government at controlling costs, while providing quality health care. Just take a look at the government's track record with other health care programs, like Medicare and Medicaid.

The bottomline is clear--companies don't pay for mandates, workers do. And, the cost is significant.

June 8, 1994

The Honorable John B. Breaux
United States Senator
516 Hart Senate Office Building
Washington, D. C. 20510

Dear Senator Breaux:

On behalf of the members of the Louisiana Retailers Association, the National Retail Federation, and myself please accept our sincerest appreciation for taking the time to meet with us Saturday in New Orleans.

In my twelve years of experience with the Louisiana Retailers Association I have never seen that many retailers turn out for any event. That fact alone speaks loudly about the importance that employer mandates and triggers have to those men and women. The numbers become even more impressive when we consider that the event occurred on the busiest day of the week for retailers.

As I listened to you explain the problems of the present health care delivery system and the market-based reforms you support, I could not help but ask myself, "Why are all these men and women sitting here in fear that you will vote for an employer mandate or a trigger? He agrees with our position and even uses some of our arguments." Your own experience tells you that employers stop paying for health insurance only when it gets to be too expensive and that they would again provide insurance when it becomes affordable. Why then the need for a mandate?

You also stated that market-based reforms should be instituted and allowed to work before employer mandates are employed. Then why the need for a mandate or a trigger? Is it an admission by Congress that it can not craft an affordable health care delivery system?

We believe that market-based reforms must be passed this year. We strongly support them and the concept that they must be given a fair chance to work. The issue of universal coverage will take care of itself when insurance again becomes affordable and universally available. Employers will respond to a positive incentive for providing health insurance. Congress does not have to beat up on them to do it.

The idea of a trigger is even more frightening. Those who vote for it can claim they are not responsible for what happens in the future that would "trigger" the mandates. Employers would constantly have a sword hanging over their heads, affecting each and every business decision. Rather than planning for growth and prosperity, they would constantly be guarding against the inevitable. That is cruel and unusual punishment. While the constitution protects the criminal from cruel and unusual punishment, no such protection is afforded business men and women.

We are proud to have you in a position of leadership but please don't lose your perspective. You were elected to represent Louisiana citizens. Your role of party leader may require you to help save the misguided policies of the administration but please don't to it at the expense of your constituents. Please don't let your role of party leader cause you to vote for a trigger that the likes of Ted Kennedy will some day pull. Your constituents deserve better than that.

The intensity of opposition to employer mandates and triggers is far too strong to be overlooked. A wise and successful politician was asked why he voted against a particular issue. His response stayed with me because it was so revealing. He answered that those who opposed the issue would never forget his vote while those who supported the issue would never remember it. **Employer mandates and triggers are issues that retailers will never forget.**

Please don't let us down.

Sincerely yours,

Nick Perez
President

NP/jrh

LOUISIANA RETAILERS ASSOCIATION POST OFFICE BOX 44034 ● TELEPHONE (504) 344-9481 ● BATON ROUGE, LA. 70804

PAUL D. WELLSTONE
MINNESOTA

MINNESOTA TOLL FREE NUMBER:
1-800-642-6041

United States Senate

WASHINGTON, DC 20510-2303

COMMITTEES:
ENERGY AND NATURAL RESOURCES
LABOR AND HUMAN RESOURCES
SMALL BUSINESS
INDIAN AFFAIRS

FI

June 23, 1994

President Bill Clinton
The White House
Washington, D.C. 20500

Dear Mr. President,

Last week several senators and I sent you a letter urging continuing firm support for universal coverage as a key feature of health care reform.

Several organizations of health care consumers and providers expressed their interest in communicating the same message to you.

I am pleased to present you with a list of the groups that offered to sign the letter. I'm certain we are both encouraged that this impressive list of groups support 100% universal coverage, employer mandates, affordable care, cost containment, and the option for states to implement a state single payer system.

Even more encouraging to me was the signal that so many groups and individuals are ready to respond to requests from Washington to show their support for these key issues.

Many of us in Congress, and millions of Americans around the country, are ready to stand up and make sure that health care reform will not be hijacked by big ticket special interests.

We know that we need health care reform, and we need it this year.

All of us appreciate the most recent comments you and Mrs. Clinton have made on the importance of passing a bill that is unequivocal on the issue of universal coverage. I know that I speak for us all in offering any help we can provide in assuring that we accomplish that goal in the 103rd Congress.

Sincerely,

Paul David Wellstone
United States Senator

☐ 717 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-2303
(202) 224-5641

☐ 2550 UNIVERSITY AVENUE, WEST
COURT INTERNATIONAL BUILDING
ST. PAUL, MN 55114-1025
(612) 645-0323

☐ POST OFFICE BOX 261
105 2D AVENUE, SOUTH
VIRGINIA, MN 55792
(218) 741-1074

☐ 417 LITCHFIELD AVENUE, SW
WILLMAR, MN 56201
(612) 231-0001

June 23, 1994

President Bill Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

Our organizations have always shared with you a commitment that universal coverage must be the cornerstone of health care reform. That commitment cannot waver as we continue our progress in Congress to enact comprehensive health care reform legislation.

We are troubled by comments from the press and some Members of Congress that universal coverage is not a realistic goal.

Universal coverage is impossible unless it meets several critical tests. First, it must include meaningful, employer-based financing. Unworkable proposals that would put the burden on individuals to pay most of the costs of their care, or project employer contributions into some distant future, cannot achieve the health care reform that Americans are counting on.

Second, all Americans must be covered. Suggestions that universal coverage should be defined as something less than total coverage, such as 90% or 95%, would continue to leave millions of Americans vulnerable to the double plagues of illness and impoverishment. Anyone could lose the lottery: people who work and those at risk of losing their jobs, the elderly and people with disabilities and their families, people with cancer and people with AIDS, people in rural areas, women, men, children.

Third, coverage must be affordable. Meaningful cost containment must be included to protect businesses, individuals, and government entities contributing to the system.

Finally, states must have the ability to adopt a single-payer system if they determine through their own legislative processes that would be a fairer or more cost-effective approach to universal coverage.

Universal coverage is not only a humane goal, one which most industrialized countries have attained. It is also key to making health care affordable because it would end wasteful and inflationary cost-shifting, encourage preventive care, and allow more appropriate use of resources. Suggestions that we waste

more years and more lives tinkering around the edges of almost covering everyone, trying to make health care almost affordable, are a diversion from the fair and workable framework you have presented. In addition, it would send an unwelcome signal to the country that its elected leaders are unwilling to take the long overdue step of guaranteeing that every American enjoys health security.

We ask that you remain strong in your commitment to universal coverage, affordable for all and fairly financed. While there will be areas for compromise during the legislative process, assuring universal and affordable coverage must not be among them. We will assist efforts toward the goal of true universal coverage for health care in any way that we can.

Sincerely,

Actors' Equity, Ron Silver, President
ACTUP Washington
AIDS Action Council
American Association of Children's Residential Centers
American Association for Marriage and Family Therapy
American Association of Pastoral Counsellors
American Association of Physicians for Human Rights
American Association of University Women
American College of Physicians
American Counselling Association
Americans for Democratic Action
American Federation of State, County and Municipal Employees
American Medical Students Association, Terrence Steyer, National President
American Psychological Association
American Public Health Association, Eugene Feingold, President
Association of Maternal and Child Health Programs
Association of Mental Health Administrators
Judge David L. Bazelon Center for Mental Health Law
California Society for Clinical Social Work
Campaign for Women's Health
Children's Defense Fund
Churchwomen United
Citizen Action
Consumers Union
Creative Coalition, Blair Brown, Co-President
Family Service America
Gray Panthers
Health Access
Health Care for the Homeless
InterHealth, St. Paul, Minnesota
International Association of Pyschosocial Rehabilitation
International Brotherhood of Teamsters
International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE), William H. Bywater, International

President
Legal Action Center
Lutheran Medical Center, Brooklyn, N.Y., Jim Stiles, Executive Vice President
National Association of Community Health Centers
National Association of Homes and Services for Children
National Association of Protection and Advocacy Systems
National Association of Public Hospitals
National Association of Social Workers
National Association of State Alcohol and Drug Abuse Directors
National Community Mental Health Care Council
National Council of Churches of Christ in the U.S.A.
National Council of La Raza
National Education Association
National Federation of Societies for Clinical Social Work
National Mental Health Association, Mike Saenza, Chief Executive Officer
National Rainbow Coalition
National Women's Health Network
New York StateWide Senior Action Council, Inc., Ruby Sills Miller, Member of the Board
Oil, Chemical and Atomic Workers International Union
Older Women's League
Protestant Health Alliance
Screen Actors Guild, Barry Gordon, National President
Service Employees International Union
Sigerist Circle of Medical Historians, Elizabeth Fee, President
Unitarian Universalist Association of Cognregations
United Automobile, Aerospace & Agricultural Implement Workers of America International Union

FAX TRANSMISSION
COVER SHEET

TO: Steve Richetti

FROM: Bob Chlopak

FAX #: 456-2604

DATE: 6/20/94

REMARKS: FYI

The total number of pages including this cover sheet is _____.
If there is a problem with this fax transmission, contact 202/289-5900.

FOR IMMEDIATE RELEASE:
June 20, 1994

Contact: Bob Chlopak or Charlie Leonard
202/289-5900

80 National Organizations Urge Clinton To Veto Health Reform Bill With "Soft Trigger"

Condemn "Soft Trigger" As Delaying Tactic, Pledge To Fight For Guaranteed Universal Coverage

Washington, D.C. -- Eighty national organizations, representing every major constituency supporting comprehensive health reform, today urged President Clinton to veto any legislation that falls short of universal coverage, in particular, bills that have so-called "soft trigger" provisions. The groups also said they will oppose soft trigger proposals because they don't guarantee health insurance coverage for every American. The letter, timed to influence the Senate Finance Committee, is a clear sign that pro-reform groups are unified and prepared to battle in Congress to achieve the President's top priority of universal coverage.

The letter, organized by the Health Care Reform Project, is signed by notable players in the health debate like the AFL-CIO, AARP, the League of Women Voters, a number of physicians' organizations representing more doctors than belong to the AMA, and other large constituencies who may make health reform an issue in the November elections.

The letter to the President says "the Congressional debate is reaching a decisive moment and it is more important than ever for all of us to insist on a bill that guarantees universal coverage, and not settle for anything less." It says "soft triggers are nothing more than a way for Congress to delay a decision it should make this year: to guarantee every American health insurance coverage that can't be taken away."

The letter goes on to recognize that "soft triggers may be politically attractive because they would enable some members of Congress to state their commitment to universal coverage without voting to guarantee it." But it warns that "it's not enough for Congress to make the right noise on health reform; it must deliver the right result." It calls soft triggers "blanks" because "they sound real but have no force or effect." The letter, which was also distributed to key Congressional committees, concludes with a request to the President to "follow through on your promise to veto these bills because they don't guarantee universal coverage, and state so publicly as soon as possible."

The organizations signing the letter are longstanding supporters of "shared responsibility," a requirement that employers and employees take joint responsibility for financing health insurance for working Americans. This concept is already used in Hawaii, as well as countries like Japan, Germany, Belgium and the Netherlands. In Hawaii, approximately 96% of the population has health insurance due in large part to its shared responsibility requirement.

-30-

June 17, 1994

The Honorable William Jefferson Clinton
President of the United States
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President:

Throughout the health care debate, you have been a steadfast leader for comprehensive reform that includes, at a minimum, provisions to guarantee health insurance coverage and security for all Americans. All of our organizations have supported this objective, as have many Members of Congress.

But now the Congressional debate is reaching a decisive moment and it is more important than ever for all of us to insist on a bill that guarantees universal coverage, and not settle for anything less. Clearly, many Members of Congress are standing firm for universal coverage, but some are proposing substitute provisions like soft triggers that fall far short of guaranteeing coverage for every American.

Under the soft trigger approach, Congress would pledge to reexamine health reform at some future time if the goal of universal coverage is not achieved. For all practical purposes, soft triggers are nothing more than a way for Congress to delay a decision it should make this year: to guarantee every American health insurance coverage that can't be taken away. Soft triggers, even coupled with insurance reforms, won't guarantee universal health insurance coverage because they don't provide needed financing and don't contain costs. Indeed, soft triggers are like blanks: they sound real, but have no force or effect.

On the other hand, soft triggers may be politically attractive because they would enable some Members of Congress to state their commitment to universal coverage without voting to guarantee it. But we cannot allow Congress to raise Americans' hopes for real reform while delivering them much less. It's not enough for Congress to make the right noise on health reform; it must deliver the right result.

Similarly, we believe that insurance reforms alone will not guarantee universal coverage nor will they work without a universal system. Today, 80% of the uninsured are part of working families but receive no health insurance from their employers. Making insurance portable will leave the vast majority of these families without any coverage at all. And, it will not end the problem of job lock, because many employees cannot afford to pay the cost of coverage on their own and many employers will not contribute toward it.

In short, neither soft triggers nor insurance reforms, alone or in combination, will meet your goal for universal coverage or solve many of the most pressing health care problems. We will

oppose any such legislation, and we urge you to follow through on your promise to veto these bills because they don't guarantee universal coverage, and state so publicly as soon as possible.

We appreciate your leadership and steadfast support for universal coverage, as well as your and Mrs. Clinton's tireless efforts. Be assured that we will continue to do everything possible to pass legislation that guarantees every American health insurance coverage.

Sincerely,

AIDS Action Council
Alzheimer's Association
Amalgamated Clothing and Textile Workers Union
American Academy of Family Physicians
American Association of Retired Persons
American Association of University Women
American Cancer Society
American College of Physicians
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)
American Federation of State, County and Municipal Employees (AFSCME)
American Federation of Teachers
American Institute of Architects
American Medical Women's Association
American Occupational Therapy Association
American Postal Workers Union (APWU)
American Psychological Association
American Public Health Association
American Radio Association
Bazelon Center for Mental Health Law
Bakery, Confectionery & Tobacco Workers
Campaign for Women's Health
The Catholic Health Association of the United States (CHA)
Center For Community Change
Children's Defense Fund
Children's Health Fund
Communications Workers of America
Conservation Services Group
Episcopal Church
Families USA
Friends Committee on National Legislation
Glass, Molders, Pottery, Plastics & Allied Workers
International Association of Machinists
International Brotherhood of Electrical Workers
International Brotherhood of Teamsters
International Chemical Workers
International Ladies Garment Workers Union
International Union of Electronic, Electrical Salaried, Machine and Furniture Workers (IUE)
The League of Women Voters of the United States
National Association of Community Health Centers
National Community Action Foundation

National Association of Chain Drug Stores
National Association for Home Care
National Association of Letter Carriers
National Association of Public Hospitals
National Association of Social Workers (NASW)
National Breast Cancer Coalition
National Caucus & Center on Black Aged, Inc.
National Council of Churches of Christ in the USA
National Council of Non-Profit Associations
National Council of Senior Citizens
National Education Association
National Farmers Union
National Health Policy Council
National Health Council
National Hispanic Council on Aging
National Medical Political Action Committee
National Mental Health Association
National Minority AIDS Council
National Minority Business Council
National Multiple Sclerosis Society
National Women's Law Center
Network: A National Catholic Social Justice Lobby
Older Women's League
Owner-Operator Independent Drivers Association
PAINNET INC
Protestant Health Alliance, a Division of InterHealth
Real Health Care for All
Service Employees International Union (SEIU)
Southern California Edison Company
Spina Bifida Association of America
The ARC
The Hollywood Women's Political Committee
Transport Workers of America
United Auto Workers
Union of American Hebrew Congregations
United Mine Workers
United Paperworkers International
United Steel Workers of America
United Transportation Union
Voice of the Retarded (VOR)

CC:

Senate Finance Committee
Senate Labor and Human Resources Committee
House Ways and Means Committee
House Education and Labor Committee
House Energy and Commerce Committee

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR GREG LAWLER
STEVE RICCHETTI
JACK LEW
CHRIS JENNINGS
IRA MAGAZINER
MIKE LUX

FROM: CAREN WILCOX

SUBJECT: POSITIONING OF RETAILERS

DATE: JUNE 17, 1994

I attach a copy of the position of the National Retail Federation indicating that they intend to "continue to deliver a strong no-mandate, no-trigger message in our communications to members of the House and Senate."

Clearly the authors of triggers have not gained favor with their retail constituency by doing so.

The retailer litany of talking points include:

* triggers would distort the market, businesses would delay capital investment and expansion, reduce employment to fit the triggers;

* a trigger will kill jobs and stifle wage growth in the retail industry;

* a trigger in the future would be just as bad as a mandate today;

* they want big firms which don't offer benefits to get the same benefits as small firms which don't offer them.

It would appear to me from this document that the retailers would certainly not "voluntarily" change their benefits programs if there were a soft or hard trigger, but would undoubtedly try to keep defeating it.

cc: Alexis Herman
Steve Hilton

NATIONAL RETAIL FEDERATION

MEMORANDUM

TO: Government and Legal Affairs Committee
Task Force on Health Care Reform

FROM: Steve Pfister, Vice President, Director of Political Affairs

RE: EMPLOYER MANDATE "TRIGGER"

DATE: June 16, 1994

As you are aware, many key Members of Congress have recently offered their tentative support for a health care reform compromise which would implement or "trigger" an employer mandate at a future date in time if certain coverage thresholds were not achieved through market reform and other measures. NRF is strongly opposed to any mandate "trigger" and believes that members are using this tactic as political cover so they may "have it both ways" on the volatile issue of employer mandates.

The attached paper "The Truth About Triggers" will provide background information and talking points on this critical development. Clearly, we must continue to deliver a strong no-mandate, no-trigger message in our communications with Members of the House and Senate.

As always, if you have any questions or comments, please do not hesitate to contact me at 202/783-7971.

Attachment

The World's Largest Retail Trade Association
Liberty Place, 325 7th Street, NW, Suite 1000
Washington, DC 20004
202.783.7971 Fax 202.737.2849

6/16

National Retail Federation
June 15, 1994

THE TRUTH ABOUT TRIGGERS

As Congressional support for the employer mandate wanes, several members of the House and Senate have settled upon the notion of using a so-called "hard trigger" mechanism to ensure that universal health coverage is achieved by a specified date. Each of the various "hard trigger" proposals which have been circulated (the most prominent of which has been offered by Senators Bentsen and Packwood) would provide for automatic implementation of an employer mandate if market-based reforms do not achieve specified coverage levels within a certain time frame. The "hard trigger" concept has been touted as a bridge to compromise between members who support voluntary, market-based reforms and those who favor a mandatory, top-down restructuring of our nation's health care delivery system.

But a mandate is still a mandate, regardless of when it is implemented. These "trigger" proposals are nothing but a placebo for members trying to straddle the ideological boundary between the market-based and regulatory approaches to health care reform. A vote for a "hard trigger" is a vote for an employer mandate -- it's that simple.

Implementation of an employer mandate via a "hard trigger" mechanism would have catastrophic consequences for the retail industry and our nation's overall economy, for the following reasons:

- Imposing a mandate "trigger" would be like holding a gun to the head of every business owner in America. As soon as a trigger is enacted, the market will become distorted as business owners start to plan for its potential implementation. Faced with such uncertainty, they will, at a minimum, delay capital investment and expansion. In addition, many firms would be motivated to actually reduce employment where the "trigger" is aimed according to firm size. For example, where a "trigger" would be pulled in year 4 for firms with 25 to 99 employees and in year 5 for firms with fewer than 25 employees, a company with 30 employees would have a huge incentive to lay off six workers in year three to postpone the pull of the "trigger" for two additional years. The threat of tomorrow's mandate will clearly shape today's economic reality.

  Market forces, which might otherwise succeed in correcting much of the uninsured problem, will never be given an opportunity to work as firms operate in the shadow of the impending mandate. Recent studies conducted by Lewin-VHI and CBO both concluded that a voluntary, market-based approach with appropriate subsidies and insurance reforms would provide coverage for 91 percent of Americans.[1] Lewin-VHI also found that approximately 97 percent of all health spending would be covered by insurance because the majority of those who would remain uninsured would be younger, healthier individuals who are low users of care.[2]

National Retail Federation
June 15, 1994

Congress should give the newly reformed market a chance to succeed before imposing unduly burdensome requirements on employers.

- **A bad idea isn't like a fine wine -- it doesn't improve with age.** Tomorrow's employer mandate will be just as destructive to jobs and the economy as today's. A mandate -- wherever implemented -- will kill jobs and stifle wage growth in the retail industry. Unlike higher-wage industries which can shift forms of compensation to defray greater health care costs, the retail industry cannot shift the increased labor costs imposed by a mandate back onto wages. Nor can retailers pass these cost increases onto customers through price increases. Most retail employers would have no choice but to cut jobs or reduce work hours in order to meet the staggering health insurance bills they would face under an employer mandate -- delayed or otherwise.

  A study conducted by Nathan Associates, Inc. for the National Retail Federation conservatively estimated that at least 500,000 retail jobs would be eliminated under an employer mandate.[3] The Employment Policies Institute estimates that retail job losses could total 726,000 under an employer mandate.[4]

  Opponents of employer mandates must not succumb to "feel good" measures which are aimed more at providing cover for members than coverage for Americans. A vote for a "hard trigger" is a vote for an employer mandate, plain and simple.

- **Congress shouldn't just close its eyes and shoot.** Congress does not -- and cannot -- know now what the future holds for our nation's economy. It is therefore sheer folly for members to presume that they can know now what the best way to achieve universal coverage will be in three, five, or seven years. In the face of double digit unemployment, would implementation of a mandate be the wisest course? Surely not. But under the "hard trigger," today's decision irrevocably seals tomorrow's fate.

  In addition, the "triggering" of an employer mandate will have serious fiscal consequences for the Federal government. Potential subsidy obligations will place a huge question mark in the Federal budget -- but the "trigger" will fire at date certain, regardless of its impact on the deficit.

  After implementing market-based reforms, Congress should adopt a wait and see approach before setting in motion an irreversible force that could destroy the economy.

- **No state has successfully fired a trigger yet.** In 1988, Massachusetts enacted a delayed employer mandate. The state's economy steadily declined thereafter and implementation of the mandate has been postponed again and again due to fear to further decline. In Oregon, the only other state to enact a "trigger" proposal, the "hard trigger" has been

National Retail Federation
June 15, 1994

delayed twice, moving implementation from 1994 to 1998 -- nine years from the date of enactment.

Congress should not hang the success of its health care reform efforts on a concept with such a poor track record.

- Some proposed "triggers" are based on an unrealistic definition of "universal coverage." Even in Hawaii, which has an employer mandate, only 93 percent of the population has health insurance. Trigger proposals (such as that floated by Senate Finance Committee Chairman Moynihan) which threaten to drop the mandate hammer unless 95 to 99 percent of employees have health insurance by a specified date ignore the very real possibility that universal compliance could be unachievable for reasons beyond an employer's willingness or unwillingness to provide health insurance coverage for its workers. For example, employees (especially young and/or part-time workers earning low wages) might be unwilling to bear even 20 percent of the cost of health insurance. Should an employer fire a worker who refuses to pay his/her insurance premiums in order to avoid pulling the mandate trigger?

The various "mandate trigger" proposals erroneously assume that a failure to achieve "universal coverage" (however defined) is necessarily the fault of the business community.

- Most proposed triggers are wrongly aimed at businesses according to size, rather than average wage. The same principles which support the extension of special treatment (via subsidies or delayed implementation dates) to small, low-wage employers apply with equal force to all low-wage employers. A physician group with five employees and an average annual wage of $50,000 is arguably better able to afford to purchase health insurance for its employees than a 100-employee retail business with an average annual wage of $10,000. As is apparent from this example, it is not so much the size of a business, but rather its compensation structure which dictates the impact an employer mandate would have on it.

In addition, by tying the "hard trigger" to firm size, most proposals exert significant downward pressure on job growth in small businesses. A small employer will hesitate seriously before hiring employee number 25 or 100 when doing so will cause the "trigger" to fire years earlier.

Penalizing employers and employees based on firm size alone lacks a compelling rationale and is an inefficient and off-point attempt to appear sympathetic to small business concerns.

National Retail Federation
June 15, 1994

[1] Congressional Budget Office, An Analysis of the Managed Competition Act 20 (April 1994); Lewin-VHI, Inc., Expanding Insurance Coverage Without a Mandate 1 (May 18, 1994).

[2] Lewin-VHI at 1.

[3] Nadlin Associates, Inc., Retail Trade Industry Cost of Managed Competition with an Employer Mandate (March 1993).

[4] Employment Policies Institute, The Impact of a Health Insurance Mandate on Labor Costs and Employment (Sept. 1993).

"If we fail to cover every American, we don't fail the rich, who will get covered anyway; we don't fail the poor, who will receive subsidies; we fail the hard working middle class, who won't be able to afford coverage -- and that is wrong."

"Real Reform will include hard working middle class Americans, and not exclude them."

THE PIVOTAL POINT IS UNIVERSAL COVERAGE

- This isn't just about the uninsured, although their numbers are growing and nearing 40 million. More-so, the debate is about the tens of millions of hard working middle-class Americans who live with the uncertainty of never knowing whether their health care will be there when they need it. After all, they could have a member of their family get sick, or they could lose their jobs, or they could change jobs and they couldn't get insurance on the new one. The only way all of our people will be secure is when every American knows that whether they lose their job, change jobs, move their home, get sick, get insured, or just grow old, their health care will be there.

"Health Care Reform just isn't the real thing unless middle-class working people are guaranteed coverage, and after at least 50 years of delay, the American people deserve the real thing."

PROGRESS THAT WON'T BE STOPPED

- The American people want and need health care reform. They want the security of health benefits that can't be taken away. For the sake of America's middle class, we can't allow the partisan naysayers to stand in the way of change. We simply cannot afford to play politics with the lives of hard working Americans.

- Momentum in Congress demonstrates that we are well on the way to guaranteeing private insurance for every American that can never be taken away. Congressional Members have heard the urgent call from the American people who want health care reform. **There should be no turning back, we must finish the job.**

(This excerpt on the importance of Universal Coverage can be added to any speech)

Cabinet Health Line

June 14, 1994

Over the next ten days, the health care reform debate in Congress will essentially shift to one key issue: Universal Coverage. The President's bottom line remains UNIVERSAL COVERAGE -- guaranteed private insurance for every American.

That is the President's bottom line -- it's up to Congress to get there.

OUR job over these next 10 days is to explain to the American people and to Members of Congress, why Universal Coverage is so important.

WE need to be on the record, over and over again, highlighting the importance of Universal Coverage.

Today, Senator Moynihan, after meeting with the President, reiterated his committment to REAL reform that includes Universal Coverage.

TALKING POINTS

WITHOUT UNIVERSAL COVERAGE THE MIDDLE CLASS SUFFERS

- Some people say, "Why is the President so hung up on Universal Coverage?"

  The President's bottom line remains Universal Coverage, because the middle class is hit hardest if every American isn't covered.

- Some people say, "91%, 92%, 99%, what's the difference?"

  The difference is HUGE, especially for hard working middle class Americans. Without Universal Coverage, 24-40 million Americans, more than two-thirds of them in middle class working families, would remain uninsured because they won't be able to afford it. The poor will get more help, the rich remain secure and the middle class will pay the price.

June 14, 1994

To: Harold Ickes, George Stephanopoulos, Pat Griffin
From: Gene Sperling
Subject: Single Question Health Care Challenge

I believe we have one of the best chances we have had in a long time to have the President draw a powerful line on health care. Recently, the President has not been able to be as outspoken as he might like on health care because of the need to let it work its way through the Congressional process.

When the President has laid down the law on health care, he has used "universal coverage" as his litmus test. This was fine for awhile, but now the public cannot tell the difference between real universal coverage and universal access or the variety of other proposals being put out there that blur the lines. This blurring on universal coverage allows opponents of real reform to say that they stand for something that sounds like universal coverage while also drawing stark differences between them and us in terms of "government controls" and "rationing."

I think this makes it essential to have a simple and clear way to try to once again redefine the debate by breaking through on universal coverage and making clear whose side the President is on, and whose side those who oppose his efforts are on.

The most clear way to breakthrough may be to emphasize less the term "universal coverage" and rely more on having the President issue a high profile challenge to opponents of his plan by issuing a single question:

> ***If you have coverage today for your family, and you lost it tomorrow, ask whether the plan would guarantee health security for you and your family?"***

- This question does not allow for blurring what is universal coverage and it exposes the lie in the Republican ad. The answer is either yes or no, and for the non-universal plans, no amount of confusing terms can blur the fact that the question will be no.

- The Republican ad gives the impression that a person losing their job could get coverage under the Republican plan -- even though it is just about portability. If the President focuses on this single question, however, their lack of universal health security would be exposed.

- This question focuses not on the 37 million, but on the 200 million -- whom opponents of health care will be doing nothing to help.

• Some members who started with support for universal coverage may be edging away now, but have never publicly backed away. If the question was put this way, it may encourage them to stay with universal coverage.

• Posing the question this way will push the media to do analyses on what plans meet this test. It allows us to respond to all criticism with the fact that we do provide this hypothetical family with coverage and we are willing to listen to all plans that do the same.

Everywhere the President goes, he can issue the question with examples of families from the area where he is speaking. This is the type challenge, other supporters of health care up for re-election could build off. They could define the debate only as whether or not you are for ensuring that this hypothetical family would have health security.

Special Interests and Gridlock: This is particularly good timing in light of Dole's gridlock line and the stories of lobbyists and special interest influence. The question would be even more stark: some want to guarantee this family coverage if the parents lost their job, others would rather rely on gridlock and stalling so that the special interests have a guarantee of the status quo instead of your family having a guarantee of health security.

Posing this question is a key chance for us to get the President out *fighting mad for working America* and to set the definition of the debate before it becomes completely overtaken with different elements of triggers etc. With the complexity of the issues we have faced -- deficit reduction, premium caps etc. -- it is often difficult to get a clear cut shot to have him out in a fighting mode for working families. This could be one of those occasions.

cc: Laura Quinn
Greg Lawler
Lorrie McHugh

THE WHITE HOUSE

WASHINGTON

JUNE 10, 1994

RECOMMENDED TELEPHONE CALL

TO: Chairman Moynihan

DATE: June 10, 1994

RECOMMENDED BY: Patrick J. Griffin

PURPOSE: To discuss the markup of the health care legislation in the Finance Committee, and solicit his assessment about the likelihood of attracting moderate Republican support for a bill out of committee.

BACKGROUND: As you know, the Chairman presented his mark to the Committee yesterday. The Committee will be considering both this proposal and others next week. The Committee mark has no chance of being reported out of committee and it is imperative that you explore with the Chairman options he believes are necessary to quickly gain consensus among Democratic Members and that have the possibility to be attractive to the Committee's moderate Republicans.

TOPICS OF DISCUSSION:

1. Relay your appreciation to the Chairman for starting the Finance Committee markup process.

2. Agree upon a strategy for the Moynihan/Packwood meeting scheduled for June 14.

3. Solicit the Chairman's advice on strategies for attracting Republicans to a bipartisan package which achieves universal coverage and cost containment.

4. Indicate intention to talk with swing Members on the Committee to get a sense of possible compromise position. In so doing, get a sense of where the Chairman stands on a hard trigger that has scorable cost containment.

THE WHITE HOUSE

WASHINGTON

JUNE 10, 1994

RECOMMENDED TELEPHONE CALL

TO: Senator David Boren

DATE: June 10, 1994

RECOMMENDED BY: Patrick J. Griffin

PURPOSE: To discuss the markup of the health care legislation in the Finance Committee, and solicit advice from the Senator on ways to gain bipartisan support for the bill.

BACKGROUND: As you know, the Finance Committee presented a Chairman's mark to the Committee yesterday. The Committee will be considering both this proposal and others next week. You are calling the Members of the Committee to request their support of the mark and explore alternatives that will achieve your fundamental goals of cost containment and universal coverage.

TOPICS OF DISCUSSION:

1. Ask Senator Boren for his support in getting a bill marked up in the Finance Committee. Seek his help in reaching a consensus with other Democrats on the Finance Committee.

2. Request Senator Boren's support for a hard trigger. (It is likely that Boren will reject this request, as he has indicated that he will not be an eleventh vote on a strictly Democratic bill.)

3. If Senator Boren will not support a hard trigger, explore with him the mechanism he believes will succeed in attracting Republican support while achieving the goals of universal coverage with cost containment.

THE WHITE HOUSE

WASHINGTON

JUNE 10, 1994

RECOMMENDED TELEPHONE CALL

TO: Senator John Chafee

DATE: June 10, 1994

RECOMMENDED BY: Patrick J. Griffin

PURPOSE: To discuss the markup of the health care legislation in the Finance Committee, and solicit advice from the Committee members on ways to gain bipartisan support for the bill.

BACKGROUND: As you know, the Finance Committee presented a Chairman's mark to the Committee yesterday. The Committee will be considering both this proposal and others next week. You are calling the Members of the Committee to request their support of the mark and explore alternatives that will achieve your fundamental goals of cost containment and universal coverage.

TOPICS OF DISCUSSION:

1. Impress on Senator Chafee your commitment to a bipartisan package that achieves universal coverage with cost containments.

2. Ask Senator Chafee if he believes that the dual goals are achievable. If so, ask his advice on how to accomplish this.

3. Since the Democrats will not support an individual mandate, and the Republicans will not support an employer mandate, it will be difficult to craft a bipartisan package. Solicit Senator Chafee's advice on ways to bridge the gap between the two approaches.

THE WHITE HOUSE

WASHINGTON

JUNE 10, 1994

RECOMMENDED TELEPHONE CALL

TO: Senator David Durenberger

DATE: June 10, 1994

RECOMMENDED BY: Patrick J. Griffin

PURPOSE: To discuss the markup of the health care legislation in the Finance Committee, and solicit advice from the Senator on ways to gain bipartisan support for the bill.

BACKGROUND: As you know, the Finance Committee presented a Chairman's mark to the Committee yesterday. The Finance Committee will be considering both this proposal and others next week. You are calling the Members of the Committee to request their support of the mark and explore alternatives that will achieve your fundamental goals of cost containment and universal coverage.

TOPICS OF DISCUSSION:

1. Acknowledge the meeting that you had with Senator Durenberger on May 19, and follow up on the conversation that you had with him.

2. Impress on Senator Durenberger your commitment to a bipartisan package that achieves universal coverage with cost containment.

3. Ask Senator Durenberger if he believes that the dual goals are achievable. If so, ask his advice on how to accomplish this.

4. Since the Democrats will not support an individual mandate, and the Republicans will not support an employer mandate, it will be difficult to craft a bipartisan package. Solicit Senator Durenberger's advice on ways to bridge the gap between the two approaches while achieving the dual goals.

THE WHITE HOUSE

WASHINGTON

JUNE 10, 1994

RECOMMENDED TELEPHONE CALL

TO:	**Senator Bill Bradley**
DATE:	**June 10, 1994**
RECOMMENDED BY:	**Patrick J. Griffin**
PURPOSE:	**To discuss the markup of the health care legislation in the Finance Committee, and solicit advice from the Senator on ways to gain bipartisan support for the bill.**
BACKGROUND:	**As you know, the Finance Committee presented a Chairman's mark to the Committee yesterday. The Committee will be considering both this proposal and others next week. You are calling the Members of the Committee to request their support of the mark and explore alternatives that will achieve your fundamental goals of cost containment and universal coverage.**
TOPICS OF DISCUSSION:	**1. Acknowledge that Senator Bradley is doing a great deal of work on refining the cost control mechanism in the health care package.** **2. Ask Senator Bradley if he believes that his cost control mechanism will be able to attract bipartisan support.** **3. Request Senator Bradley's support in uniting Democratic support for the package, but also consolidating Republican support.**

THE WHITE HOUSE

WASHINGTON

JUNE 10, 1994

RECOMMENDED TELEPHONE CALL

TO: Senator John Danforth

DATE: June 10, 1994

RECOMMENDED BY: Patrick J. Griffin

PURPOSE: To discuss the markup of the health care legislation in the Finance Committee, and solicit advice from the Senator on ways to gain bipartisan support for the bill.

BACKGROUND: As you know, the Finance Committee presented a Chairman's mark to the Committee yesterday. The Committee will be considering both this proposal and others next week. You are calling the Members of the Committee to request their support of the mark and explore alternatives that will achieve your fundamental goals of cost containment and universal coverage.

TOPICS OF DISCUSSION:

1. Impress on Senator Danforth your commitment to a bipartisan package that achieves universal coverage with cost containment.

2. Ask Senator Danforth if he believes that the dual goals are achievable. If so, ask his advice on how to accomplish this.

3. Since the Democrats will not support an individual mandate, and the Republicans will not support an employer mandate, it will be difficult to craft a bipartisan package. Solicit Senator Danforth's advice on ways to bridge the gap between the two approaches while achieving the dual goals.

TO: KICH8771

MOYNIHAN RAPS WHITE HOUSE
By JOHN MACHACEK and KEITH WHITE
Gannett News Service

WASHINGTON Senate Finance Committee Chairman Daniel Patrick Moynihan Tuesday struck back at White House criticism that he isn't pushing hard enough for President Clinton's health care reform plan.

``It hasn't sunk in (at the White House) ... that the (Clinton plan) could be filibustered indefinitely," the New York Democrat said in defending his strategy of working with Finance Committee Republicans to forge bipartisan consensus on health care reform.

Some Senate Democrats suggested this week that Moynihan is undercutting his party by working too closely with committee Republicans on a compromise measure that would leave out major elements of the Clinton plan, such as price controls and a requirement that employers provide health coverage.

Moynihan said in an interview with Gannett News Service that the White House is the source of the criticism.

In fact, Sen. Jay Rockefeller, D-W.Va., one of Clinton's strongest health care allies on the Finance Committee, told reporters Monday that Moynihan was ``dodging the bullet" on health care while other congressional leaders on the issue are moving ahead.

Moynihan introduced the Clinton bill in his role as Finance Committee chairman. But he doubts there are enough votes to pass it in its current form either in his committee or on the Senate floor. Also, he said he believes that legislation of such magnitude ought not to be narrowly passed.

Hence, he has initiated bipartisan discussions he hopes will lead to a broad agreement on a compromise measure that would get Clinton's approval.

Moynihan said he understands that the White House may be thinking of trying to ram the Clinton plan through the Senate with a bare majority perhaps with Vice President Al Gore casting a tie-breaking vote as he did on the Clinton economic plan last year.

But White House strategists seemed to have forgotten there was a fixed time limit debate on the budget reconciliation bill, Moynihan said. Democrats would need 60 votes to break a GOP filibuster on an extended health
care reform debate.

Rockefeller said last week after the Finance Committee concluded hearings on health care reform that it was dangerous to ``play to a bipartisan spirit ... if we keep saying that we need a bill that will get 75 votes" as Moynihan has suggested.

``A huge and controversial bill ... that is comprehensive and has

meat in it probably won't get more than 52, 53 or 54 votes," he said. ``If you are saying you can't get 75 votes ... then you are saying we'll do a little insurance reform and call it quits."

Moynihan forced the issue Tuesday by calling a meeting of Senate Finance Committee Democrats to see if they wanted to move ahead with a bill ``along the president's lines" or continue discussions with GOP members. Although no vote was taken, the Democratic conclave ended with agreement to continue Moynihan's strategy, according to one participant.

``We've decided that we should continue to talk among ourselves but that we should also have a lot of emphasis on bipartisan conversations," said Sen. David Boren, D-Okla., who, along with Sen. Bob Kerrey, D-Neb., recently signed on to a GOP health care measure sponsored by Sen. John Chafee, R-R.I.

Moynihan has not indicated a preference for any of the alternative health care plans that have been proposed. But he seems to be leaning toward a measure that would reform the existing insurance system with or without the requirement that all employers provide coverage.

During a year of hearings on the health care reform issue, Moynihan said, ``I found myself thinking we are filling out a health care system, not creating one."

``I don't have any problem with mandates except the votes aren't there," he said.

Moynihan said he believes ``we can get an agreement" on insurance reform that, among other things, would eliminate pre-existing condition restrictions on coverage, guarantee continued coverage for workers who change jobs, and allow everyone to pay the same premium rate regardless of previous medical condition.

Social Security

On January 17, 1935, President Roosevelt presented a message to Congress on economic security, calling on the Congress to enact a self-sustaining old age insurance system. Rather than creating a special joint committee of the House and Senate to consider the Administration's bill (as the Administration had hoped), it was referred to the House Ways and Means Committee and the Senate Finance Committee.

The House Ways and Means Committee began hearings January 21, and the Senate Finance Committee began its hearings January 22. The House moved first on the legislation, with the Ways and Means Committee reporting the bill to the full House by a party-line vote (all D's but one voting in favor, all R's voting against) on April 5. The House debate on the bill lasted from April 11-19, with over 50 amendments being offered but none adopted. A motion to recommit the bill with instructions to eliminate the old-age insurance provisions was made by the ranking Republican member of the Ways and Means Committee. It was defeated, but received all Republican votes but one. Vote on final passage of the bill in the exact form recommended by the Ways and Means Committee was **371-33**.

The Senate hearings moved more slowly, and did not begin executive session meetings until May, considering the House-passed version of the bill. One of the most controversial amendments considered was offered by Sen. Clark (D-MO) which would provide an exemption from the proposed government old-age insurance system for employers and employees participating in a more liberal private pension plan, and was opposed by the Administration. The vote on the Clark amendment in the Committee was a tie, and the amendment was not adopted. On May 20, the Finance Committee reported the bill to the Senate and recommended its passage.

The Senate did not take up the Social Security Act until June 14, due to a filibuster by Senator Huey Long (there is no record of any cloture vote). The five-day debate centered around old-age insurance, in particular the Clark Amendment. The Senate finally agreed to the amendment by a vote of **51-35** on June 19. Later that day, the Senate voted on final passage of the bill **77-6** (Dems: 59-1 in favor; Repubs: 15-5 in favor; 3 from other parties in favor; 12 members not voting).

When the bill went to conference at the end of June, the President had indicated that he would not approve the bill without the elimination of the Clark amendment. The Senate, however, instructed its conferees to insist upon its inclusion. A stalemate dragged on until August, when concern that Congress would adjourn without action began to rise. It was broken when an agreement was reached to eliminate the Clark amendment, with the understanding that a special committee would prepare an amendment in the next Congress that embodied the Clark amendment. (Interest in the Clark amendment disappeared the next year.) The House and Senate both accepted the conferees recommendations without a recorded vote, and the President signed the Social Security Act into law on August 14, 1935.

Medicare

The failure of medicare legislation had been one of President Johnson's few serious legislative defeats in 1964, so when the new 89th Congress took over in 1965, the President placed health care insurance for the aged at the top of his agenda. The Administration's bill was assigned the number HR. 1 and S. 1. The House Ways and Means Committee decided not to hold public hearings on the issue because it had been so extensively covered in previous Congresses. The Committee held executive sessions on H. 1 until March 24, when it reported a clean bill sponsored by Committee Chairman Willbur Mills (D-AR), HR. 6675, that was broader in scope.

Mills' support of a bill was important because the Chairman had previously been an opponent of medicare legislation. The 1964 elections were widely believed to have demonstrated the popularity of medicare, and the new weighting of the Ways and Means Committee with more Democrats placed Mills' opposition in the minority. Mills' main stated concern with medicare was that it not overburden the financial soundness of Social Security, and provisions in HR 6675 worked to separate the two programs.

The House passed HR. 6675 by a vote of **313-115** on April 8 after two days of debate under a closed rule. Before passage, the House rejected a motion to recommit HR 6675 and substitute it with a voluntary aged health insurance program by a close margin, **191-236** (R's: 128-10 in favor; North D's: 3--188 opposed; South D's: 60-38 in favor). The close margin of this vote showed that medicare would probably not have passed the House in this form without the successes in the 1964 elections.

The Senate Finance Committee took up HR. 6675 in public hearings from April 29 to May 18. The Committee reported the bill by a **12-5** vote (D's:10-1 in favor; R's: 2-4 against), with little revision. The full Senate passed HR 6675 on July 9 by a vote of **68-21**(D's: 55-7 in favor; R's: 13-14 opposed; 11 not voting). Earlier in the day the Senate had rejected a motion to delete the proposal's main components **26-64**, assuring passage by a wide margin.

The Conference on Medicare retained most of HR. 6675 as reported by the Ways and Means Committee (during House debate Mills said that the report represented 95% of his original proposal). The report was filed on July 26, and adopted in the House July 27 by a **307-116** vote. The Senate took up the report the next day, approving it by a vote of **70-24** (D's: 58-7 in favor; R's: 12-17 opposed; 6 not voting). President Johnson signed the bill into law July 30.

*** SUMMARY REPORT -- LEGISLATIVE ACTION AND RELATED BILLS ***

MEASURE: S1231

SPONSOR: Moynihan (D-NY)

BRIEF TITLE: Social Security Domestic Employment Reform Act of 1994.

OFFICIAL TITLE: A bill to provide for simplified collection of employment taxes on domestic services, and for other purposes.

INTRODUCED: 07/14/93

COSPONSORS: 15 (Dems: 9 Reps: 6 Ind: 0)

COMMITTEES: Senate Finance

RELATED BILLS: See HR1114, HR2334, HR3088, HR4105

LEGISLATIVE ACTION:

02/24/93 *** Related measure (HR1114) introduced in the House. ***

06/08/93 *** Related measure (HR2334) introduced in the House. ***

07/14/93 Referred to Committee on Finance (Text of bill appears on pgs. S8721-S8722, of the July 14, 1993, Congressional Record) (CR p. S8721-S8722)

07/21/93 Committee hearings held by the Senate Finance Committee. (CR p. D817) (WR pp. 1961, 2322, 2741, 3392)

09/15/93 *** Related measure (HR3088) introduced in the House. ***

03/22/94 Committee consideration and markup session held by the Senate Finance Committee. (CR p. D302)

03/22/94 Ordered to be reported by the Senate Finance Committee. (CR p. D302) (WR p. 747)

03/22/94 *** Related measure (HR4105) introduced in the House. ***

04/19/94 Reported to the Senate amended by the Senate Committee on Finance SRpt 103-252 (CR p. S4464)

04/19/94 Placed on the Senate Legislative Calendar. (Calendar No. 415) (WR p. 1072)

There are no more items to display.

*** SUMMARY REPORT -- LEGISLATIVE ACTION AND RELATED BILLS ***

MEASURE: HR4278

SPONSOR: Jacobs (D-IN)

BRIEF TITLE: Social Security Act Amendments of 1994.

OFFICIAL TITLE: A bill to make improvements in the old-age, survivors, and disability insurance program under title II of the Social Security Act.

INTRODUCED: 04/21/94

COSPONSORS: 4 (Dems: 2 Reps: 2 Ind: 0)

COMMITTEES: House Ways and Means

RELATED BILLS: See HR4105

LEGISLATIVE ACTION:

03/22/94 *** Related measure (HR4105) introduced in the House. ***

04/21/94 Referred to Committee on Ways and Means (CR p. H2638)

04/28/94 Committee consideration and markup session held by the House Ways & Means Committee. (CR p. D458)

04/28/94 Ordered to be reported by the House Ways & Means Committee amended. (CR p. D458) (WR p. 1072)

05/04/94 Reported to the House by the House Committee on Ways and Means HRpt 103-491 (CR p. H3054)

05/04/94 Placed on the Union Calendar by unanimous consent. (CR p. H3054)

05/12/94 ** Scheduled action ** House floor: Under suspension of the rules: vote on final passage

There are no more items to display.

May 26, 1994

MEMORANDUM FOR DISTRIBUTION

FROM: Mike Lux

SUBJECT: Those Who Have Helped Us

In the never ending quest to try to get allied groups to do more, and in part because of our frustration with those who should be doing more who are not doing enough, we sometimes do not give credit where credit is due. I would like to ask those of you who are receiving this memo to remember to thank the groups listed here for their efforts if you happen to be dealing with them for any reason. While there are a lot of groups that I wish were doing more, some of the work being done has been very impressive and truly helpful and those doing should know we appreciate it.

1. Those who brought people in for constituency days and provided people for satellite feeds and stake-outs. (See attached list.)

2. Those who agreed to help us with the booklet we prepared for the Congressional recess. (See attached list.)

3. Those businesses and unions who have helped us with employer responsibility events. They include: Safeway, Pathmark, the Vermont Teddy Bear Company, Neighborhood Care Pharmacy, PictureTel, Gardener's Supply Company, Owner Operator Independent Drivers Association, Chrysler, Navistar, Eckherd, UAW, UFCW, and CWA.

4. Those who have held legislative conferences, and had their members swarming the hill on behalf of the HSA in the last two months. They include: CWA, National Multiple Sclerosis Society, American Nurses Association, National Council on Independent Living, Building and Construction Trades Department, AAFP, Catholic Health Association, National Council on the Aging, Alzheimers Association, National Association of Social Workers, American Federation of Teachers, AIDS Action Council, National Mental Health Association, and UAW.

5. Special mentions:

- HealthRIGHT, the Long Term Care Campaign, the Alzheimer's Association and Save Our Security have all done superb work with us on a whole series of events, in

addition to the work they are all doing for the HealthRIGHT Heartland Tour around the country.

- The National Council of Senior Citizens, who have nowhere near as big a budget as AARP, have devoted a tremendous amount of resources to helping us. They have put radio ads on the air in five districts, have done mail and follow up phone banks into 25 districts, have printed and distributed 600,000 postcards for people to mail in to Congress, have done a 24 minute health care video which they have widely distributed, have distributed 50,000 health care doorhangers in senior citizen housing developments in targeted districts, and have launched an impressive training program for their activists.

- National Farmers Union has been organizing health care education meetings for groups of up to 250 in rural communities around the country, as well as conducting training sessions to teach volunteers how to organize these meetings. Health care reform has also been a top issue at state conventions throughout the past two years; activities at the conventions have included numerous presentations and workshops on health care. They also recently joined the Small Business Coalition on Health Care Reform.

- Families USA has continued to do everything we have asked and more: studies which have gotten a lot of publicity, field organizing, local media events, help with events, etc.

- The National Association of Retail Druggists and National Association of Chain Drug Stores launched the small business coalition for health reform, which has done both impressive work in targeted districts and helped us pull together one of our best constituency days. Other members of that coalition are: American Institute of Architects, Owner-Operator Independent Drivers Association, Institutional and Municipal Parking Congress, Institute of Business Designers, National Council of Nonprofit Associations, National Farmers Union, Architects/Designers/Planners for Social Responsibility, and National Association of Black Accountants.

- Among lobbyists, Letitia Chambers and Ann Wexler have played important roles in recruiting and coordinating the lobbying efforts of big business supporters.

- Several unions have played major roles, including contributions to various media efforts and donating full time field organizers in targeted districts. Of the full time field organizers who are working for health reform, 80% of them come from the labor movement. The unions who have been most helpful to date are AFSCME, SEIU, UAW, CWA and AFT. AFL-CIO has played a very important leadership role overall.

- The Health Care Reform Project has played an extremely important coordinating function on activities -- including paid media, direct mail, phone banks, and field organizing -- in targeted districts.

DISTRIBUTION:

Hillary Rodham Clinton
Harold Ickes
George Stephanopoulos
Pat Griffin
Steve Ricchetti
Chris Jennings
Jack Lew
Jerry Klepner
Melanne Verveer
Bob Boorstin
John Hart
Alexis Herman
Steve Hilton
Marilyn Yager
Caren Wilcox
Amy Zisook
Doris Matsui
Marilyn DiGiacobbe
Greg Lawler
Laura Quinn
Lorrie McHugh
Dwight Holton
Dana Hyde

Participants in Constituency Days include:

AARP
ADAPT
African Methodist Episcopal Church
AFSCME
Alzheimers Association
American Counseling Association
American Association of Marriage and Family Therapy
American Occupational Therapy Association
American Public Health Association
American Association of Children's Residential Centers
American Psychological Association
American Lung Association
American Nurses Association
American Federation of Teachers
American Association of University Women
American Academy of Pediatrics
American Academy of Family Physicians
American College of Physicians
American Medical Womens Association
Amnesty International
Association of Black Cardiologists
B'nai B'rith Youth Organization
Baptist Joint Committee
Big Brothers/Big Sisters
Boys and Girls Clubs of America
Building and Construction Trades Department
California Association of Hispanic Physicians
Catholic Health Association
Child Welfare League of America
Children's Defense Fund
City Year
Communications Workers of America
Consortium of Citizens with Disabilities
Constitutional Rights Foundation
D.C. Service Corps
Family Services America, Inc.
First Hospital Corporation
Frontlash AFL-CIO
Greenpeace USA
Interreligious Health Care Access Campaign

League of Women Voters
Long Term Care Campaign
MALDEF
NARAL
National Council of Jewish Women
National Association of Area Agencies on Aging
National Association of Children's Hospitals and Related Institutions
National Council on Independent Living
National Association of Community Health Centers
National Association of Home Care
National Association of Area Agencies on Aging
National Council on the Aging
National Health Policy Council
National Medical Association
National Gay and Lesbian Task Force
National Council of Churches
National Education Association
National Mental Health Association
National Association of Psychiatric Treatment Center for Children
National Association of Alcoholism and Drug Abuse Counselors
National Community Mental Healthcare Councils
National Association of Public Hospitals
National Osteoperosis Foundation
National Breast Cancer Coalition
National Women's Law Center
Older Women's League
Planned Parenthood
Planned Parenthood
Protestant Health Alliance
Protestant Health Alliance
Religious Action Center
Rock the Vote
Sierra Club
Small Business Coalition for Health Care Reform
Small Business Coalition for Health Care Reform
Society of Americans For Recovery
U.S. PIRG
United States Students Association
United Steelworkers of America
Women's Information Network
Youth Action

Participants in the Congressional packet include:

BUSINESSES:

American Airlines
American Institute for Architects
Archer Daniels Midland
Architects/Designers/Planners for Social Responsibility
Anheuser-Busch Companies
Bethlehem Steel
Chysler Corporation
Drummond Coal Mining
Food For Less
General Motors Corporation
Georgia Pacific
Institute of Business Designers
Institutional and Municipal Parking Congress
Invacare Corproration
Loral Corporation
LTV Corporation
McDonnell Douglas Corporation
National Association of Black Accountants
National Association of Chain Drug Stores
National Council of Non-Profit Associations
National Federation of Business and Professional Women
National Farmers Union
Owner-Operator Independent Drivers Association
Pathmark Grocery Stores
Rite Aid Corporation
Thrift Drug
USX Corporation
National Leadership Coalition for Health Care Reform

GROUPS:

AARP
AFL-CIO
AFL-CIO Retirees
AFSCME
American Academy of Family Physicians
American Academy of Pediatrics
American College of Obstetricians and Gynecologists
American College of Physicians
American Federation of Teachers

American Lung Association
American Medical Women's Association
American Nurses Association
Campaign for Health Security
Catholic Health Association
Children's Defense Fund
Citizen Action
Communications Workers of America
Families USA
Health Care Reform Project
HealthRIGHT
League of Women Voters of the U.S.
Long Term Care Campaign
National Association of Area Agencies on Aging
National Association for Home Care
National Association of Children's Hospitals and Related Institutions
National Association of Community Health Centers
National Association of Homecare
National Association of Public Hospitals
National Association of Retail Druggists
National Association of Social Workers
National Black Nures Association
National Council of Non-Profit Associations
National Council of Senior Citizens
National Education Association
National Farmers Union
National Federation of Business and Professional Women
National Health Policy Council
National Leadership Coalition for Health Care Reform
National Medical Association
Protestant Health Alliance
Service Employees International Union
Small Business Coalition for Health Care Reform
United Auto Workers
United Food and Commercial Workers
United Steelworkers of America

thePrincipal Financial Group

Federal Government
Relations Office

TELECOPY TRANSMISSION

TO: Steve Richetti

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TELEPHONE NUMBER:

FAX NUMBER: 456-2604

DATE: May 19, 1994

TIME: 10:25 A.M.

2 PAGE(S) FOLLOW THIS ONE

FROM: Stu Brahs

INSTRUCTIONS:

COMMENTS: "FYI"

Our telecopy machine is a Cannon L700 which operates 24 hours.

Suite 1030, 1350 I Street, N.W., Washington, D.C. 20005-3305, (202) 682-1200/FAX (202) 682-1412
Home Office: Des Moines, Iowa 50392-0001 (515) 247-5111

the Principal Financial Group

Federal Government Relations Office

May 19, 1994

Honorable Daniel Moynihan
United States Senate
464 Russell Senate Office Building
Washington, D.C. 20510

Dear Mr. Chariman:

As you debate the myriad aspects of health care reform, we urge you to enact legislation which assures health care coverage for **all** Americans - universal coverage.

America's health care system will work much better if everyone is covered. Some say we cannot afford universal coverage, but we say we can -- and it's the right thing to do.

The Principal supports the achievement of universal, cradle-to-grave coverage through an individual mandate to purchase coverage, an employer mandate to contribute to the cost of coverage, and sliding-scale subsidies for low-income citizens.

Universal coverage (in contrast to when everyone is not covered) permits complete elimination of pre-existing conditions restrictions, which everyone dislikes, for those currently covered and those becoming covered in the future. This will guarantee that coverage is there for all when it is needed - portable, with no job lock. Bottom line: there can be no effective means to implement needed health insurance reforms or health care cost controls - either through market or regulatory means - until health care coverage applies to all.

An employment-based health care system of universal coverage, with employer and employee financial participation, is an essential ingredient of meaningful health care reform. We respectfully urge the inclusion of such a provision in health care reform legislation.

Thanks very much for your consideration of our views.

Sincerely,

Stuart J. Brahs
Vice President-Federal
Government Relations

Enclosure
SJB:b

Suite 1030, 1350 I Street, N.W., Washington, D.C. 20005-3305, (202) 682-1280/FAX (202) 682 1412
Home Office: Des Moines, Iowa 50392-0001 (515) 247-5111

Without universal coverage, health care reform starts to unravel.

We're all pulling for health care reform. But without universal coverage, the harder we pull, the more reforms begin to unravel.

Unless everyone is covered, insurance reforms won't work. There will be no incentive for people to buy insurance until they get sick. And then, their premiums won't cover the costs of their treatment. That drives up costs for everyone and leads to fewer people with health coverage.

With sound reforms that begin with universal coverage, we can eliminate shifting the high cost of treating the uninsured to those with private insurance. We can eliminate job lock. And most importantly, we can guarantee coverage for every American —coverage everyone can get and everyone can keep— including those with pre-existing conditions.

For strong, lasting, meaningful health care reform, we all need to get behind universal coverage. We can assure everyone coverage through an employer-based system where employers and employees participate financially.

Universal coverage. Without it, health care reform hangs by a thread.

the Principal Financial Group

DANIEL PATRICK MOYNIHAN
CHAIRMAN

LAWRENCE O'DONNELL, JR.
STAFF DIRECTOR

United States Senate
COMMITTEE ON FINANCE

5/14/94

Steve,

FYI

TD

DANIEL PATRICK MOYNIHAN
CHAIRMAN

LAWRENCE O'DONNELL, JR.
STAFF DIRECTOR

United States Senate

COMMITTEE ON FINANCE
WASHINGTON, D. C.

May 13, 1994

Dear Harold:

As the chairman raced to the airport this afternoon, he asked me to send you the clips on the President's trip to New York. As today's Newsday editorial makes clear, the net effect of the trip was to make it impossible for the Chairman to support comprehensive health care reform legislation that does not change the medicaid formula.

We didn't know what the trip was designed to accomplish, but now we know what it did accomplish.

Sincerely,

Lawrence O'Donnell, Jr.

Mr. Harold Ickes
Assistant to the President &
Deputy Chief of Staff
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

DANIEL PATRICK MOYNIHAN
CHAIRMAN

LAWRENCE O'DONNELL, JR.
STAFF DIRECTOR

United States Senate

COMMITTEE ON FINANCE
WASHINGTON, D. C.

May 13, 1994

Dear George:

Senator Moynihan wants you to see that the net effect of the President's trip to New York was to make it impossible for New York's senior senator to support comprehensive health care reform legislation that does not improve the medicaid formula.

Clearly, a command decision was made that the President would finally agree that there is "no question that the formula should be changed." But did the Administration really think that asking New Yorkers to allow us to go about the business of fixing everything else that is wrong with health care financing while promising them no more than a commission report in a year or two on their big problem would do the trick -- even with an audience of New York Clinton supporters?

I guess we should pardon them for suspecting that, if the President's 500 strong health care task force not only refused to change the formula, but actually added it to a new proposed entitlement, a commision report is unlikely to save them.

Sincerely,

Lawrence O'Donnell, Jr.

How about Carl McCall as chairman of the commission?

Mr. George Stephanopoulos
Senior Advisor to the President
The White House
1600 Pennsylvania Ave., NW
Washington, DC 20500

Newsday

EDITORIALS

Thanks, But. . .

Clinton admits Medicaid funding is unfair to New York; he mustn't wait to correct it.

In addition to the traffic jams that always accompany his visits to the Big Apple, President Bill Clinton brought something more positive when he visited New York City on Monday: an admission that the federal Medicaid formula discriminates against New York State and ought to be changed.

To call it a *frank* admission might be stretching it a bit. What Clinton said was that "states like New York with high per-capita incomes but huge numbers of poor people are not treated quite fairly under a formula that only deals with per-capita income." And while he conceded there was "no question that the formula should be changed," the president clearly doesn't want this change to be part of his already bulky health-care package.

He'd rather appoint a commission to study the whole issue until 1995. He mustn't be allowed to get away with this. New York is in an excellent position right now to improve the Medicaid formula, and its position will almost certainly be weaker next year.

The state's two top Democrats have a powerful interest in making sure the formula is dealt with in the health-care reform process. Gov. Mario Cuomo is running for a fourth term, and a bigger helping of Medicaid funding from Washington would play very well in the state's voting booths. And Sen. Daniel Patrick Moynihan, as chairman of the Finance Committee, has great leverage because health-care reform must pass through his bailiwick on its way to the statute books.

In New York and other relatively prosperous states, Washington currently covers only 50 percent of Medicaid costs; in others the federal share runs as high as 83 percent. This is partly because New York is more generous with Medicaid benefits than Mississippi — but then living costs in Babylon or the Bronx are considerably higher than they are in Biloxi.

Officials here have come up with a Medicaid formula that would bring the state as much as $1.1 billion more a year from Washington, but getting more favored states to give up some of their funding won't be easy. All the more reason for Clinton to reconsider his opposition to *any* increase in broad-based taxes to finance health-care reform.

Clinton, in New York Visit, Says Medicaid Formula Should Offer More Funds to State

By ROBERT PEAR

President Clinton said yesterday for the first time that the formula for distributing Federal Medicaid money should be changed to provide larger amounts to states like New York with large numbers of poor people.

New York officials welcomed the President's commitment, but said his pledge was not specific enough for them to endorse his health plan at this time.

Mr. Clinton spent several hours in New York City campaigning for his health care proposal. After a speech to the Association for a Better New York, at the New York Hilton, Mr. Clinton invited questions, and the first one concerned Medicaid.

H. Carl McCall, the Comptroller of New York State, asked the President what he would do to relieve the state of the "crushing burden" imposed by Medicaid.

Inequities Acknowledged

In reply, Mr. Clinton said, "There's no question that the formula should be changed, and that states like New York with high per capita incomes but huge numbers of poor people are not treated quite fairly under a formula that only deals with per capita income."

Gov. Mario M. Cuomo of New York and Senator Daniel Patrick Moynihan, of New York, both Democrats, have said the Medicaid formula must be changed as part of any bill to overhaul the nation's health care system.

Medicaid finances health care for 33 million low-income people, including 2.9 million in New York State. The costs are shared by the Federal Government and the states. A state's share rises with its per capita income.

The current formula for distributing Medicaid money is based solely on a state's per capita income and does not take account of the number of poor people, local labor costs or residents' medical needs.

Under the current Medicaid formula, the Federal Government pays a larger share of Medicaid costs for states with low per capita income: 79 percent in Mississippi and 74 percent in Arkansas, for example. But the Federal Government pays 50 percent of Medicaid costs in New York, New Jersey, Connecticut, California, Illinois, Massachusetts and six other states.

States' Disparate Costs

In 1991, the last year for which data are available, Mississippi spent an average of $1,607 for each Medicaid recipient while New York spent $5,577, New Jersey spent $4,437 and Connecticut $5,994, which was more than any other state.

Mr. Clinton said he wanted a commission to study possible changes in the Medicaid formula. The commission can submit recommendations in 1995, he said.

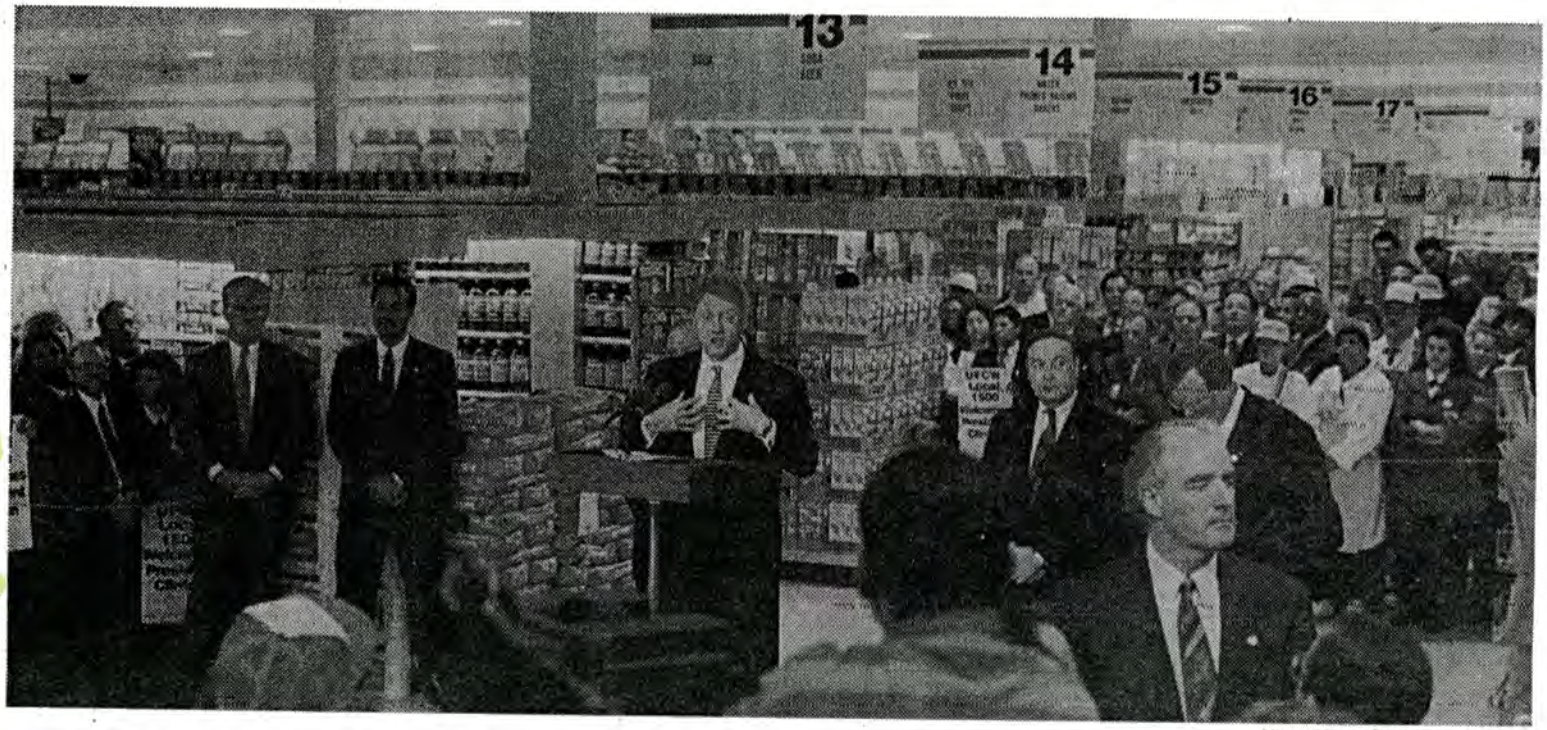
Changes in the Medicaid formula should not be mixed up in "the whole question of providing health care coverage for all Americans, which we're having a hard enough time passing as it is," Mr. Clinton said.

The President said his health plan would help states by slowing the growth of health care costs in general. "The rate of increase in Medicaid costs will be dramatically less than it is now," he told his New York audience today. "So over the next four or five years you will save quite a lot of money."

Mr. McCall, the chief fiscal officer of New York State, said he was "not totally" satisfied with Mr. Clinton's response. "It was fairly theoretical," the Comptroller said. "We've got to see some details. I am skeptical."

Representative Charles E. Schumer, a Brooklyn Democrat who attended the luncheon for Mr. Clinton, said, "The President touched all the right buttons," but was not specific enough about money.

Mr. Clinton said he understood New



Monica Almeida for The New York Times

President Clinton, campaigning in New York City yesterday for his health care proposal, spoke to workers at a Pathmark supermarket on Cherry Street in lower Manhattan. At another stop, he said the Medicaid formula should be revised to provide more money to states like New York.

Clinton concedes that states with large numbers of poor are shortchanged.

York's concern about the Medicaid formula, financial support for teaching hospitals and health care for undocumented immigrants. But he did not say how much Federal money would be available for those purposes.

Accordingly, Mr. Schumer said, most of New York's Congressional delegation was holding back on support for Mr. Clinton's health plan. "I'm not saying yes or no," Mr. Schumer said. "We want to see the numbers on Medicaid, teaching hospitals and illegal aliens. To have a commission that studies the Medicaid formula is not good enough."

Likewise, Peter J. Powers, a Deputy Mayor of New York City, said: "New York does have to bear a disproportionate share of Medicaid costs. I hope we can get some relief."

Mr. McCall, the State Comptroller, described the burden this way: "We spend in this state $3.8 billion for the Medicaid program. That represents 34.6 percent of all local revenues. Here in New York City the budget for Medicaid is $2.6 billion. It represents 31.1 percent of the city's budget."

Proposals to change the Medicaid formula create a political problem for President Clinton and Congress. Changes that help New York would hurt some other states, so there is no simple solution, Administration officials said.

Clinton in New York: Traffic, Tributes

By ROBIN TONER

President Clinton moved his health care campaign to New York City yesterday, and literally stopped traffic in midtown Manhattan for part of the morning. He also paid quiet tribute to three fallen firefighters.

It was a day with a clear national message intended to make the case for requiring companies to contribute to the cost of their workers' insurance, the so-called employer mandate. In an effort to show that many businesses support the idea, Mr. Clinton visited the Pathmark supermarket at South Street and Pike Slip, on the Lower East Side. Standing before gleaming rows of fruit and vegetables, he spoke to a small group of Pathmark workers and a large group of reporters.

Mr. Clinton said it was critical to make members of Congress understand that not every small business and not every retailer opposed the employer mandate, which he prefers to call "health benefits at work." He got a boost from Jack Futterman, the chairman and chief executive officer of Pathmark, the nation's 10th-largest supermarket chain in sales.

"We stand with you 100 percent," Mr. Futterman declared.

A Traffic Ordeal

Pathmark employees, at Pike Slip and throughout the 143-store chain, are beginning to put groceries in bags bearing the slogan, "Pathmark and the U.F.C.W. support health benefits at work and quality health care coverage including prescription medicines for all Americans." Pathmark workers belong to the United Food and Commercial Workers union.

"I want to ask you, every time you fill up that bag, tell people you mean it," the President told the workers.

Although Air Force One did not land at Kennedy International Airport until after 10 A.M. and his helicopter did not touch down at the South Street Seaport until an hour later, the President's visit made the morning rush an unusually long ordeal in the parts of town he visited. Cherry Street on the Lower East Side was closed by 7 A.M., which clogged traffic on the nearby Williamsburg and Brooklyn Bridges. The Franklin D. Roosevelt Drive was also closed before the President stepped out of the helicopter and into his limousine for the short ride to the Pathmark.

Compounding motorists' misery, West 54th Street was also closed between Seventh and Madison Avenues as early as 7 A.M., contributing to what traffic reporters said was near-gridlock in midtown.

Later, Mr. Clinton's motorcade arrived at a fire station in SoHo that was draped in purple and black bunting for three firefighters who died of injuries they suffered battling a fire in an apartment building on March 28. Mr. Clinton, accompanied by Mayor Rudolph W. Giuliani and Senator Daniel Patrick Moynihan, expressed his regret to the firefighters solemnly assembled.

"Thank you so much for your service," he said. "I'm sorry for your loss."

Vina Drennan, the widow of one of the three firefighters, arrived late, and at Mr. Giuliani's request, the President spoke privately with her at his next stop, the New York Hilton.

"It was a really lovely thing to do," the Mayor said.

Then it was back to the planned schedule: a speech to the Association for a Better New York, a civic-minded group made up largely of business executives, where he heaped praise on Representative Charles E. Schumer, a Democrat from Brooklyn, for his work on behalf of a ban on assault weapons.

In the question-and-answer session that followed, H. Carl McCall, the New York State Comptroller, asserted that the present Medicaid system had become "a crushing burden" for New York. Mr. Clinton replied that he was well aware of New York's discontent with the current Medicaid reimbursement system, but said it was being reviewed by a commission that would report in 1995.

"There's no question that the formula should be changed," the President said, "and that states like New York with high per capita incomes but huge numbers of poor people are not treated quite fairly under a formula that only deals with per capita income. And that's going to happen next year."

NEW YORK POST, TUESDAY, MAY 10, 1994

Lightning visit to sell health plan

By DEBORAH ORIN
Washington Bureau Chief

President Clinton came to New York to sell his health-care plan yesterday — but key local leaders said he didn't answer critical questions about how it will affect the city.

"It really remains to be seen," said state Comptroller Carl McCall, who pressed Clinton on whether his plan would end the "crushing burden" on New Yorkers of funding health care for the poor.

The president came for a quick, six-hour visit to cheerlead for health-care reform — and before he even landed at JFK, White House Press Secretary Dee Dee Myers said he wouldn't be making any fresh news.

Clinton flew in at a time when Congress is moving toward action on a health plan — but most New York lawmakers have promised Gov. Cuomo to vote against any plan unless it does more to help the state.

Mayor Giuliani — who snubbed Clinton on his last visit — greeted him at JFK this time and effusively praised the president for visiting, at Giuliani's suggestion, the firehouse that lost three of the city's Bravest in a SoHo blaze.

Clinton, speaking to the Association for a Better New York at the New York Hilton, said it's time for national health care.

"Every other advanced country in the world does it, and we ought to do it now," he said.

The president said his bill would save "a ton of money" for New York — but gave no specific figures.

McCall — who noted that a whopping 31 percent of New York City's budget goes to pay Medicaid costs to provide health care for poor people — said Clinton didn't fully answer his question.

"Not to my total satisfaction, no," McCall said.

Nor did Clinton provide specifics on how much money will be available to cover health care for illegal aliens or New York's many teaching hospitals — two key issues of concern to New York.

"He said there will be special funds but the questions are: first, how much? And second, where is the money coming from?" said Rep. Charles Schumer (D-Brooklyn / Queens).

But Senate Finance Chairman Daniel P. Moynihan strongly hinted that New Yorkers may have to settle for less than they're demanding.

New York's senior senator said that while the state pays a higher share of Medicaid than, say, Clinton's home state of Arkansas, it also gets "four federal Medicaid dollars for every dollar that goes to Arkansas."

That's because New York opted to offer more extensive health-care services to poor people and "we get more of this money than any other state," added Moynihan who pledged to "do the best we can."

Meanwhile, Clinton is slated to hold his final meetings today on his choice of a Supreme Court justice to replace the soon-to-retire Harry Blackmun.

Top names are said to be Arkansas federal appeals Judge Richard Arnold, Interior Secretary Bruce Babbitt, New York federal appeals Judge Amalya Kearse and Connecticut Judge Jose Cabranes, with hints there might also be a dark horse.

Spokeswoman Myers said if Clinton has made his choice, "he hasn't told anybody — maybe Hillary."