EVENT FACT SHEETS

EVENT FACTSHEETS INDEX (CHRONOLOGICAL)

1) **President Clinton Unveils Principles for Medicare Reform and Underscore Need to Dedicate the Surplus to Medicare**
February 3, 1999

2) **First Lady Hillary Clinton Unveils New $68 Million Initiative to Fight Asthma**
January 28, 1999

3) **President Clinton and Vice President Gore: Saving Social Security and Strengthening Medicare**
January 27, 1999

4) **Vice President Gore Announces Administration Will Seek to Restore Additional Benefits for Legal Immigrants Also Announces $70 Million to Expand Access to English Language Proficiency Instruction**
January 25, 1999

5) **Vice President Gore Unveils New Initiatives to Improve Children's Health and Calls on Activists to Redouble Efforts on the Patients' Bill of Rights at Families USA Annual Conference**
January 22, 1999

6) **President Clinton's Initiative on Biological and Chemical Weapons Preparedness Keeping America Secure for the 21st Century**
January 22, 1999

7) **President Clinton and Vice President Gore Unveil New Initiative to Improve Economic Opportunities for Americans with Disabilities**
January 13, 1999

8) **President Clinton and Vice President Gore Unveil Historic Long-term Care Initiative to Support Family Caregivers and Help Address Growing Long-term Care Needs**
January 4, 1999

9) **President Clinton Unveils $479 Million in New Aids Grants and Meets with Presidential Advisory Council on HIV/AIDS**
December 18, 1998

10) **President Clinton Unveils Legislative and Administrative Proposals to Fight Medicare Fraud, Waste, and Abuse December 7, 1998**

11) President Clinton and Vice President Gore Release
A Patients' Bill of Rights Report
November 2, 1998

12) President Clinton Declares HIV/AIDS in Racial and Ethnic Minority
Communities to Be a "Severe and Ongoing Health Care Crisis"
And Unveils New Initiative to Address this Problem
October 28, 1998

13) President Clinton Announces New Initiative to Help Medicare Beneficiaries
Dropped by Hmos Takes Steps to Prevent it from Happening Again
October 8, 1998

14) President Clinton Announces a New Regulation to Bring the Medicaid Program into
Compliance with the Patients' Bill of Rights and Reiterates Call on Congress to
Pass a Strong Patients' Rights Bill this Year
September 17, 1998

15) President Clinton Announces Initiative to Improve the Quality of Nursing Homes
July 21, 1998

16) President Clinton Meets with Members of Congress in Support Passing a Strong
Patients' Bill of Rights
July 16, 1998

17) President Clinton Announces Federal Health Plans Lead the Way at an AMA
Patients' Bill of Rights Roundtable Underscoring Need for Passing Strong
Legislation
July 15, 1998

18) President Clinton Issues Executive Memorandum to Stop Health Plans from
Violating Kassebaum-Kennedy Protections
July 7, 1998

19) President Clinton Launches New Campaign to Ensure That Low-income Medicare
Beneficiaries Receive Premium Assistance
July 6, 1998

20) President Clinton Announces Historic Prostate Cancer Research Grants at the
Department of Defense and Highlights the Administration's Ambitious Agenda to
Fight Prostate Cancer
June 20, 1998

21) **Preparedness for a Biological Weapons Attack**
May 22, 1998

22) **President Clinton Joins Democrats to Unveil Legislation Giving Americans Ages 55 to 65 New Health Insurance Options and Releases State-By-State Study Underscoring the Need for this Policy**
March 17, 1998

23) **President Endorses Quality Commission's Final Report and Issues Executive Memorandum to Improve Health Care Quality**
March 13, 1998

24) **President Clinton Announces New Racial and Ethnic Health Disparities Initiative**
February 21, 1998

25) **President Clinton Issues Directive Aimed at Ensuring That Federal Health Plans Come into Compliance with The Patients' Bill of Rights**
February 20, 1998

26) **President Clinton Announces a Series of New Efforts to Enroll Uninsured Children in Health Insurance Programs**
February 18, 1998

27) **President Clinton Announces Unprecedented Progress in Fighting Medicare Fraud and Abuse**
January 26, 1998

28) **Democrats Unite in Call for Federal Legislation to Make Consumer Bill of Rights Real for All Americans**
January 14, 1998

29) **President Clinton Announces New Proposals to Provide Americans Ages 55 to 65 Improved Access to Health Insurance**
January 6, 1998

30) **1998 Health Care Budget Historic Health Investments in Critical Areas Such as Biomedical Research, Prevention, and Treatment**
November 13, 1997

31) **President Clinton's Strong Record of Fighting Fraud and Abuse**
September 15, 1997

32) **President Clinton Unveils New Weapons to Fight Fraud in Home Health Care**
September 15, 1997

33) **President Clinton Calls on Congress to Pass Existing Legislation to Improve Consumer Protections and Quality Health Care**
September 15, 1997

34) **Gulf War Veterans' Illnesses: Ongoing Initiatives**
March 7, 1998

35) **The Republican Budget Resolution Conference Agreement: Impact of Medicare and Medicaid Cuts on States**
July 28, 1995

36) **Secure, Comprehensive Care: Breast Cancer Coverage under the Health Security Plan**
October 18, 1993

37) **Economic Effects of Health Care Reform**
October 6, 1993

38) **The Costs of Failing to Reform Health Care**
October 6, 1993

39) **The Health Security Act of 1993: Health Care That's Always There**

- Charles Kieffer
" 312 214-0077
Chicago

Bio
Bud
Children
Disease
HSA → K-K
LTC
Medicare
Pub
Patient BoR
Quality

EVENT FACTSHEETS INDEX (CHRONOLOGICAL)

11) **President Clinton and Vice President Gore Release A Patients' Bill of Rights Report November 2, 1998**

12) **President Clinton Declares HIV/AIDS in Racial and Ethnic Minority Communities to Be a "Severe and Ongoing Health Care Crisis" And Unveils New Initiative to Address this Problem October 28, 1998**

13) **President Clinton Announces New Initiative to Help Medicare Beneficiaries Dropped by Hmos Takes Steps to Prevent it from Happening Again October 8, 1998**

14) **President Clinton Announces a New Regulation to Bring the Medicaid Program into Compliance with the Patients' Bill of Rights and Reiterates Call on Congress to Pass a Strong Patients' Rights Bill this Year September 17, 1998**

15) **President Clinton Announces Initiative to Improve the Quality of Nursing Homes July 21, 1998**

16) **President Clinton Meets with Members of Congress in Support Passing a Strong Patients' Bill of Rights July 16, 1998**

17) **President Clinton Announces Federal Health Plans Lead the Way at an AMA Patients' Bill of Rights Roundtable Underscoring Need for Passing Strong Legislation July 15, 1998**

18) **President Clinton Issues Executive Memorandum to Stop Health Plans from Violating Kassebaum-kennedy Protections July 7, 1998**

19) **President Clinton Launches New Campaign to Ensure That Low-income Medicare Beneficiaries Receive Premium Assistance July 6, 1998**

20) **President Clinton Announces Historic Prostate Cancer Research Grants at the Department of Defense and Highlights the Administration's Ambitious Agenda to Fight Prostate Cancer June 20, 1998**

21) **Preparedness for a Biological Weapons Attack**
May 22, 1998

22) **President Clinton Joins Democrats to Unveil Legislation Giving Americans Ages 55 to 65 New Health Insurance Options and Releases State-By-State Study Underscoring the Need for this Policy**
March 17, 1998

23) **President Endorses Quality Commission's Final Report and Issues Executive Memorandum to Improve Health Care Quality**
March 13, 1998

24) **President Clinton Announces New Racial and Ethnic Health Disparities Initiative**
February 21, 1998

25) **President Clinton Issues Directive Aimed at Ensuring That Federal Health Plans Come into Compliance with The Patients' Bill of Rights**
February 20, 1998

26) **President Clinton Announces a Series of New Efforts to Enroll Uninsured Children in Health Insurance Programs**
February 18, 1998

27) **President Clinton Announces Unprecedented Progress in Fighting Medicare Fraud and Abuse**
January 26, 1998

28) **Democrats Unite in Call for Federal Legislation to Make Consumer Bill of Rights Real for All Americans**
January 14, 1998

29) **President Clinton Announces New Proposals to Provide Americans Ages 55 to 65 Improved Access to Health Insurance**
January 6, 1998

30) **1998 Health Care Budget Historic Health Investments in Critical Areas Such as Biomedical Research, Prevention, and Treatment**
November 13, 1997

31) **President Clinton's Strong Record of Fighting Fraud and Abuse**
September 15, 1997

32) **President Clinton Unveils New Weapons to Fight Fraud in Home Health Care**
September 15, 1997

33) **President Clinton Calls on Congress to Pass Existing Legislation to Improve Consumer Protections and Quality Health Care**
September 15, 1997

34) **Gulf War Veterans' Illnesses: Ongoing Initiatives**
March 7, 1998

35) **The Republican Budget Resolution Conference Agreement: Impact of Medicare and Medicaid Cuts on States**
July 28, 1995

36) **Secure, Comprehensive Care: Breast Cancer Coverage under the Health Security Plan**
October 18, 1993

37) **Economic Effects of Health Care Reform**
October 6, 1993

38) **The Costs of Failing to Reform Health Care**
October 6, 1993

39) **The Health Security Act of 1993: Health Care That's Always Ther**

PRESIDENT CLINTON UNVEILS PRINCIPLES FOR MEDICARE REFORM AND UNDERSCORES NEED TO DEDICATE THE SURPLUS TO MEDICARE
February 3, 1999

Today, in his speech to the American Association of Retired Persons (AARP), President Clinton will underscore the need to dedicate 15 percent of the budget surplus to secure the Medicare Trust Fund until 2020. He will stress his preference for bipartisan Medicare reform that is necessary to modernize Medicare and achieve additional savings to strengthen the program, and will outline four main principles that he believes any such plan should meet. The President will:

- **Highlight the Need to Dedicate Budget Surplus to Strengthen Medicare.** The President will highlight the fact that, while we need reform to improve competition and efficiency in the Medicare program, these reforms will not produce savings that are sufficient to significantly extend the life of the Trust Fund. In fact, if reductions in growth alone were used to extend the life of the Medicare Trust Fund, spending growth per beneficiary would have to be limited to 2.8 percent per year -- in every year -- to get to 2020. This rate is over 60 percent below projected private health insurance spending per person (7.3 percent). Moreover, since this growth rate is below general inflation, the value of Medicare spending per beneficiary would erode. These projections help explain why virtually every independent health analyst agrees that Medicare cannot be significantly strengthened without adding outside financial support such as the surplus.

- **Unveil Principles to Guide Medicare reform.** The President will outline principles thathe will use to evaluate any Medicare reform proposal. Any broad-based reforms should:

  -- **Dedicate Surplus to Secure Medicare until 2020.** One of the fundamental goals of Medicare reform is to put the program on stronger financial footing to better prepare it for the demographic and health challenges of the next century. These challenges cannot be addressed solely through making the program more efficient, transferring current liabilities out of the Trust Fund, or increasing payments. The President is proposing to use 15 percent of the projected surpluses over the next 15 years to secure the Medicare Trust Fund until 2020 as part of broader reforms to further strengthen the program.

  -- **Modernize Medicare and Make It More Competitive.** Medicare should adopt the best management, payment, clinical and competitive practices used by the private sector, to help maintain high-quality services and keep spending growth in line with the private spending. Moreover, strong and effective Federal administration of Medicare should be assured.

-- **Guarantee Defined Set of Benefits Without Excessive New Costs to Beneficiaries.** Beneficiaries should still be entitled to an adequate set of health benefits. A modernized, well-defined benefits package is needed to assure that health plans compete on cost and quality rather than price. Reforms should also maintain or strengthen protections for low-income beneficiaries, assure that any new cost burdens are not excessive, and assure that beneficiaries have access to a viable traditional Medicare program.

-- **Use Savings from Reform to Help Fund a Prescription Drug Benefit.** Millions of Medicare beneficiaries have no or inadequate coverage for their medications, limiting their access to needed treatments. In fact, over half of Medicare beneficiaries pay more than $500 per month for prescription drugs and one in 10 pay more than $2,000. Prescription drugs have become an essential part of treatments and cures, and are expected to play an even greater role in health care in the next century. The President believes that additional savings from making Medicare more efficient should be used to help finance a long-overdue prescription drug benefit for all Medicare beneficiaries.

FIRST LADY HILLARY CLINTON UNVEILS NEW $68 MILLION INITIATIVE TO FIGHT ASTHMA
January 28, 1999

Today, First Lady Hillary Rodham Clinton unveiled a new $68 million initiative to fight childhood asthma through a comprehensive national strategy that includes new efforts to: (1) implement school based programs that teach children how to effectively manage their asthma; (2) invest in research to determine environmental causes of asthma and to develop new strategies to reduce children's exposure to asthma triggers; (3) provide funds to states and providers to help them implement effective disease management strategies that will insure lower hospitalizations, emergency room visits and deaths from asthma; and (4) conduct a new public information campaign to reduce exposure to asthma triggers and dust mites

MILLIONS OF CHILDREN SUFFER FROM ASTHMA

Over the past 15 years, the number of children with asthma has doubled to total about 6 million. The most rapid increase in prevalence over this time period has occurred in children under the age of 5, with rates increasing over 160 percent. Over 100,000 children are hospitalized each year because of asthma, making it the leading cause of hospitalizations due to chronic illness for children at a cost of $1.9 billion in medical expenses annually. Asthma is also one of the leading causes for school absenteeism, resulting in 10 million misses school days each year. Minority children under the age of 18 have only a slightly higher risk of actually having asthma than non-Hispanic white children, they experience a disproportionately higher rate of death from asthma attacks, over four times the rate for white children. Many children with asthma remain chronically impaired because they lack support systems that enable them to effectively manage their own disease or access sufficient medications or equipment.

DEVELOPMENT OF A NEW NATIONAL STRATEGY

Today, the First Lady will release "Asthma and the Environment: A Strategy to Protect Children," authored by the Environmental Task Force on Environmental Health Risks and Safety Risks to Children, which is co-chaired by the Environmental Protection Agency and the Department of Health and Human Services. This report outlines the first-ever comprehensive, Administration-wide strategy to fight childhood asthma. The Task Force makes four recommendations for asthma that will reduce the incidents of asthma in children, as well as hospitalizations, and emergency room visits for asthma. The four steps for federal action are: strengthening and accelerating research efforts to better understand the environmental factors that exacerbate childhood asthma, expanding school based programs that reduce environmental exposures to asthma, collecting better data at the local level to track asthma incidents, and educating health care providers serving low income children about the most effective course of treatment for asthma.

LARGEST EVER FEDERAL INVESTMENT TO FIGHT CHILDHOOD ASTHMA

Today, the First Lady announced a new $68 million initiative to address asthma. This package of investments responds to Task Force recommendations and includes:

- **IMPLEMENTING SCHOOL-BASED ASTHMA PROGRAMS.** The Environmental Protection Agency (EPA), together with the Department of Education, will invest $8.4 million to expand school-based programs that teach parents and children how to identify and avoid allergens that trigger an asthma attack, as well as why it is important to use their asthma medication and their inhalers. EPA will also expand programs that educate teachers and school staff to help them eliminate potential triggers from the school environment. With this investment, over 2 million children will be able to breathe easier in their classrooms.

- **INVESTING IN NEW RESEARCH TO REDUCE CHILDREN'S EXPOSURE TO ASTHMA TRIGGERS.** The Environmental Protection Agency will invest $2 million to expand its research into the role that environmental hazards (including chemicals, particles, ozone, diesel exhaust, pesticides, tobacco smoke and allergens) play in the onset of childhood asthma. The Environmental Protection Agency will also invest $1 million to conduct a pilot program to expand air pollution monitoring in up to two communities downwind of industrialized urban centers to better understand the relationship between air pollution and asthma. These new investments builds on the Administration's long-standing commitment to asthma research. This year, the National Institutes of Health will invest over $110 million dollars in research to explore the cause of asthma and develop strategies to better manage the disease, and plans to continue this significant investment in FY2000.

- **IMPLEMENTING NEW DISEASE MANAGEMENT STRATEGIES TO TARGET LOW INCOME CHILDREN.** The Department of Health and Human Services will provide $50 million in competitive grant funds to States who identify and treat asthmatic children enrolled in the Medicaid program in accordance with the new disease management guidelines developed by the National Institutes of Health. These guidelines will help to ensure that children receive the appropriate medication and are taught how to effectively manage their illness. Through this initiative, participating states will collect data on asthma incidents so we can better understand asthma and effects. In addition, HHS will invest almost $2 million to work with State officials and other providers nationwide to help them integrate these new strategies into their current patterns of practice.

- **CREATING A NEW NATIONAL PUBLIC INFORMATION CAMPAIGN.** The Environmental Protection Agency and the Department of Health and Human Services will invest $5.2 million in a national public information campaign to reduce children's exposure to environmental tobacco smoke and other indoor asthma triggers through a national public service campaign that uses posters, flyers, and brochures that identify common asthma triggers, such as pet hair or tobacco smoke, and simple solutions for eliminating or avoiding them; expands existing in-home education networks, such as community based lead prevention programs, and utilizes Americorps and VISTA volunteers to provide direct assistance to parents in identifying asthma triggers and implementing intervention strategies; and using health care providers and managed care organizations to help parents reduce their children's exposure to asthma triggers.

PRESIDENT CLINTON AND VICE PRESIDENT GORE:
Saving Social Security and Strengthening Medicare
January 27, 1999

In His State of the Union Address, President Clinton Put Forward His Framework To Save Social Security And Strengthen Medicare. A week ago, President Clinton proposed his framework to allocate the projected budget surpluses over the next 15 years to meet America's challenges.

- **Save Social Security Now.** The President's framework includes transferring 62 percent of the projected budget surpluses over the next 15 years -- more than $2.7 trillion -- to the Social Security system and investing a portion of the transferred surpluses in the private sector to achieve higher returns for Social Security -- just as any state or local government, or private pension does. This will keep Social Security solvent until 2055. The President believes we must work on a bipartisan basis to make the hard-headed but sensible and achievable choices to save Social Security until at least 2075, while reducing poverty among single elderly women and eliminating the limit on what older Americans on Social Security can earn.

- **Letter from Social Security Actuary Shows President's Proposal Saves Social Security Until 2055.** Today, a memo from Stephen Goss, Deputy Chief Actuary of the Social Security Administration, was released and it stated that the President's "proposal would extend the estimated year in which the combined OASDI trust funds would become exhausted by 23 years, from 2032 to 2055. It would reduce the size of the estimated long-range OASDI actuarial deficit by over one half, from 2.19 to 0.76 percent of taxable payroll." [Memorandum from Stephen Goss, Deputy Chief Actuary of the Social Security Administration, January 26, 1999]

Strengthening Medicare for the 21st Century. Today, President Clinton emphasized the importance of his proposal to dedicate 15 percent of the projected budget surpluses to the Medicare program, as part of his broad framework to save Social Security and Medicare for the 21st century. These resources alone would extend the life of the Medicare Trust Fund to 2020, as confirmed by the Medicare actuary in a letter released today. However, the President stressed that the dedicated surplus dollars should be used in the context of broader Medicare reforms that modernize and improve the program.

President Clinton Emphasized That Dedicating Revenues is Essential to Preserving and Strengthening Medicare.

- **Letter from Medicare Actuary Shows President's Proposal Keeps Medicare Solvent Until 2020.** Today, a memo from Richard Foster, Chief Actuary of the Health Care Financing Administration (HCFA), was released and it stated that "the assets of the HI trust fund would be depleted in calendar year 2020 under [the President's] proposal, as compared to 2008 under present law." [Memorandum from Richard Foster, Chief Actuary of the Health Care Financing Administration, January 27, 1999]

- **Medicare, like Social Security, Faces Challenge of the "Senior Boom."** Medicare's enrollment is expected to double by 2030. Moreover, by 2030, the ratio of workers (who help finance Medicare through payroll taxes) to beneficiaries is expected to decline by over 40 percent.

- **Without New Revenue, Medicare Spending Would Have to Be Reduced Significantly.** For the Hospital Insurance (HI) Trust Fund to be solvent only through 2022, it would take an 18 percent reduction in baseline spending in each year (all else held constant). For example, in 2000, this would amount to about $26 billion -- more than Medicare pays for all of outpatient services or home health care.

- **Growth Would Have to Be Slowed to below General Inflation.** Even if Medicare per capita cost growth were constrained to general inflation in every year -- virtually unprecedented in health care and less than half projected private spending growth rate -- the Trust Fund would only be extended to 2016.

- **Experts Validate That Additional Revenues Are Critical to Preserving and Strengthening Medicare.** Health economists and experts agree: not only are new revenues needed but the surplus is a good source. Experts supporting this proposal include: Robert Reischauer, Henry Aaron, Judy Feder, Marilyn Moon, and Uwe Reinhardt and other respected economists.

The President Underscored His Strong Belief That Surplus Dollars Should Be Utilized In the Context of Broader Reforms to the Program. The President emphasized that it would be ill-advised to expand Medicare in the absence of broader reforms. He stressed that the additional dedicated dollars should be used in conjunction with important reforms which would modernize the program by providing market-oriented purchasing tools, additional savings, and a long- overdue prescription drug benefit.

The President's Framework Would Also Allocate Projected Surpluses To Provide Tax Relief for Retirement Security and To Prepare America for the Challenges of the Future:

- **Create New Universal Savings Accounts -- USA Accounts.** After we save Social Security, the President would allocate 12 percent of the projected surpluses to create new Universal Savings Accounts (USAs). USA Accounts would be a $536 billion tax cut over the next 15 years to help Americans save for their futures, providing Americans a flat tax credit to make contributions into their USA Account and additional tax credits to match a portion of an individual's savings -- with more help for lower-income workers.

- **Prepare America for the Challenges of the Future.** And after Social Security reform is secured, the President's framework would allocate 11 percent of the projected surpluses for military readiness and other pressing domestic priorities.

provide Medicaid coverage to legal immigrant women who entered the country after August 22, 1996 and subsequently became pregnant. Such coverage would help reduce the number of high-risk pregnancies, ensure healthier children, and lower the cost of emergency Medicaid deliveries. This proposal would cost $105 million and serve approximately 23,000 women by FY 2004.

The Vice President also announced today that the Administration will seek $70 million to help states and communities provide expanded access to high quality English language proficiency instruction.

"Legal immigrants should have the same opportunity, and bear the same responsibility, as other members of society. We know many non US-citizens want to learn English and participate in civic life," Vice President Gore said. "But currently, the demand for instruction far outweighs the supply. These funds will help ensure that everyone in our country who wants to learn has the opportunity to learn."

English language instruction is the fastest growing component in adult education today. Enrollment in English Language Proficiency (ELP) classes has increased 72% over the past ten years, with much of the demand for instruction coming from immigrant communities.

Under the proposed initiative, English Language Proficiency (ELP) instruction would be linked to practical instruction in civics, history, and life skills including how to navigate the banking system, the public education system, and/or the workplace. Communities would be encouraged to develop English language and civic education projects tailored to their specific needs and populations.

Under the proposal, the $70 million would be available in competitive grants to States, community-based organizations, local education agencies, tribally-controlled schools, institutions of higher education, public libraries, and other non-profits.

If approved, the initiative would provide English language and civics instruction to approximately 150,000 people in Fiscal Year 2000.

This announcement builds on the recently announced Administration's expansion of the Hispanic Education Action Plan, bringing the total for that proposal to $550 million.

VICE PRESIDENT GORE UNVEILS NEW INITIATIVES TO IMPROVE CHILDREN'S HEALTH AND CALLS ON ACTIVISTS TO REDOUBLE EFFORTS ON THE PATIENTS' BILL OF RIGHTS AT FAMILIES USA ANNUAL CONFERENCE
January 22, 1999

Today, Vice President Gore unveiled the Administration's new proposals to reach out to low income seniors who are eligible for financial assistance when enrolling in the Medicare program and children who are eligible but not enrolled in Federal/state health insurance programs at the Families USA annual conference. The Vice President also called on these over 600 health care activists to renew their efforts to urge Congress to pass a strong enforceable patients' bill of rights and highlighted the Administration's new efforts to improve and strengthen Medicare and home and community-based care.

"We need to put on a full court press in every community to assure that Congress passes a strong enforceable patients' bill of rights that gives Americans the protections they need and must continue our efforts to improve our health care system" said the Vice President. Today, the Vice President:

- **Continuing efforts to increase access to premium assistance for low income seniors.** Today, the Vice President announced that beginning in March, the Social Security Administration will implement several State level demonstration programs to identify and enroll low income seniors in Medicare premium assistance programs when they apply for Social Security benefits. In addition, the Department of Health and Human Services would be holding a conference in March as a first step towards the development of a best practices outreach guide to be released in early fall. This best practices guide will include model educational and outreach materials targeted to minorities and other vulnerable populations, as well as develop innovative strategies to help streamline the enrollment process with simple, understandable applications.

- **Funding children's health insurance outreach.** Today, the Vice President unveiled a $1 billion, 5-year initiative to fund outreach to enroll uninsured children in Medicaid and the new Children's Health Insurance Program (CHIP). Medicaid extends health coverage to poor children and CHIP, created in 1997, covers children in families with too much income for Medicaid but too little income to afford private health insurance. Although they have access to these critical programs, millions of uninsured children remain unenrolled -- because their families don't know about the options, cannot easily get information, or struggle with the application process. To address this problem, the Administration's FY 2000 budget would provide additional funding for state outreach activities. These new funds will enable States to simplify enrollment systems, launch ad campaigns, educate community volunteers, outstation eligibility workers, and conduct outreach campaigns to identify and enroll uninsured children in both Medicaid and CHIP.

- **Urged activists to raise awareness about the need to pass a strong enforceable patients' bill of rights.** The Vice President praised these health care activists for their efforts to pass some state patient protection laws. However, he reminded them that all patients in all health

plans would not be assured the patient protections without Federal legislation and called on them to redouble their efforts to urge Congress to pass a strong enforceable patients' bill of rights this year.

BUILDS ON THE ADMINISTRATION'S LONG STANDING COMMITMENT TO PROVIDE HIGH QUALITY HEALTH CARE SERVICES TO ALL AMERICANS. Today, the Vice President also:

Underscored the Clinton/Gore Administration's commitment to preserving and strengthening Medicare. The Vice President also highlighted the Administration's commitment to preserving and strengthening the Medicare program. As the President announced in his State of the Union address earlier this week, the Administration is proposing to dedicate one-fifth of the surplus to saving Medicare, extending the Trust Fund to at least 2020. The Administration also urges the Congress to work to achieve broader bipartisan reforms to improve the Medicare program -- which would include a long overdue prescription drug benefit.

Highlighted new efforts to improve access to home and community based care. The Vice President also highlighted a new proposal that he unveiled at event on long-term care in Florida yesterday to promote more flexibility in the Medicaid program to improve home and community-based care. Historically, Medicaid policy and practice has inadvertently discriminated against people with long-term care needs who want to live in their communities by only allowing states to expand Medicaid eligibility to residents in nursing homes. To help reduce this "institutional bias" this new proposal would enable states to expand their programs to cover community-based care as well as nursing home residents with income up to 300 percent of the Social Security Income (SSI) limits.

Highlighted new efforts to link assisted living facilities to health care services to assure older Americans the care they need. To assure that older Americans get the services and health care in assisted living facilities, these new competitive grants are only available to those facilities that get a Medicaid waiver to provide home and community-based services or personal care services for Medicaid-eligible residents. This new innovative partnerships will help assure that residents get the health care and services they need to remain in these communities where they can receive a higher level of care and much greater degree independence.

New proposal to address complex long-term care needs. This proposal takes important steps to address complex long-term care needs through: (1) an unprecedented $1,000 tax credit that compensates for formal or informal costs Americans of all ages with long-term care needs or the family caregivers who support them; (2) a new National Family Care givers Support Program that provides a range of critical services for care givers such as respite, home care services, and information and referral; (3) a national campaign to educate Medicare beneficiaries about the programs' limited coverage and how best to evaluate long-term care options; and (4) a proposal to have the Federal government serve as a model employer by offering quality private long-term care insurance to Federal employees at group rates.

President Clinton's Initiative on Biological and Chemical Weapons Preparedness
Keeping America Secure for the 21st Century
January 22, 1999

President Clinton has made defending the United States against chemical and biological weapons a top national security priority. The possibility that outlaw nations and terrorist groups will seek to use these weapons represents one of the greatest threats to American security in the 21st century. The Administration has sought to defend against these threats through diplomatic and military means abroad and through increased preparedness at home. In his Fiscal Year 2000 budget -- which includes $10 billion to defend against terrorism and weapons of mass destruction -- President Clinton will propose major increases in funding to strengthen America's defenses against the threat of biological and chemical weapons.

- **Vaccine Research and Development.** The Department of Health and Human Services will receive an additional $43.4 million for research and development to defend against biological weapons -- almost a 150% increase. The bulk of it -- $30 million -- will go to research on new vaccines, including vaccines for smallpox and anthrax for eventual use in the national medical stockpile. The Food and Drug Administration will receive $13.4 million for enhanced regulatory review of vaccines and therapeutics. In addition, the National Institutes of Health will receive $24 million for research on diagnostics, vaccines, antimicrobials and genomic research.

- **Public Health Surveillance.** President Clinton will propose that funding for improvements in the public health surveillance system and public health infrastructure increase by 22% to $86 million. This will translate into increased lab capacity, strengthened epidemological capabilities for state and local health departments and more resources for communications and information technology. The Center for Disease Control will create a network of regional labs to provide rapid analysis and identification of select biological agents.

- **Metropolitan Medical Response Systems.** President Clinton will propose increasing funding by almost 400% to more than $16 million for Metropolitan Medical Response Systems. These local emergency medical teams will respond to a biological or chemical weapons emergency. Twenty-five new such teams will be funded.

President Clinton's new initiatives build upon a record of accomplishment in confronting the dangers of emerging threats at home and abroad.

Beginning in fiscal 1997, the Administration began funding a five-year effort to equip and train first responders in the 120 largest metropolitan areas in the nation. Last year, the President proposed and Congress approved of more than $300 million in additional funds for weapons of mass destruction preparedness. Among the initiatives begun were the renovation of the public health surveillance system so medical personnel can detect a biological weapons release early and save lives. This appropriation also went to establish the first ever civilian medical stockpile, which will contain necessary medication to treat those exposed to biological or chemical weapons. Funding levels for the medical stockpile will be maintained in the President's FY2000 budget.

The United States led international efforts to ratify the Chemical Weapons Convention, which we signed in 1997, and American diplomats are currently working to strengthen the Biological Weapons Convention.

The Clinton Administration has also pursued cooperative programs and activities aimed at reducing the threat of proliferation of biological weapons expertise with nations of the former Soviet Union, spending $30 million in these areas during the last five years. The President's budget proposal seeks more than $150 million to expand these efforts over the next five years.

Through military action against production facilities for weapons of mass destruction in Iraq and Sudan, the United States has acted to degrade and eliminate the ability of these two nations to build weapons of mass destruction and supply them to terrorists.

PRESIDENT CLINTON AND VICE PRESIDENT GORE UNVEIL NEW INITIATIVE TO IMPROVE ECONOMIC OPPORTUNITIES FOR AMERICANS WITH DISABILITIES

January 13, 1999

Today, President Clinton is unveiling a historic new initiative that will remove significant barriers to work for people with disabilities. This three-part budget initiative, which invests over $2 billion over five years, includes: (1) full funding of the Work Incentives Improvement Act which will be introduced by Senators Jeffords Kennedy, Roth and Moynihan next week; (2) a new $1,000 tax credit to cover work-related costs for people with disabilities; and (3) expanded access to information and communications technologies. "The Clinton-Gore Administration has a long history of supporting the disability community. This policy initiative is one of the boldest since the landmark passage of the ADA," said Justin Dart.

These new proposals mean that the Administration has taken action on every single recommendation made in the President's Task Force on the Employment of Adults with Disabilities report that the Vice President accepted last month. In addition to today's proposals, the Vice President took action on two recommendations last month and Mrs. Gore is announcing the final one tomorrow at an event on mental health at Dartmouth College.

CRITICAL NEED TO REMOVE BARRIERS TO WORK

Since President Clinton and Vice President Gore took office, the American economy has added 17.7 million new jobs. Unemployment is at a 29-year low of 4.3 percent. However, the unemployment rate among working-age adults with disabilities is nearly 75 percent. About 1.6 million working-age adults have a disability that leads to functional limitations and 14 million working-age adults have less severe but still significant disabilities. People with disabilities can bring tremendous energy and talent to the American workforce, yet some outdated, institutional barriers and fewer opportunities often limit their ability to work.

Under current law, people with disabilities often become ineligible for Medicaid or Medicare if they work. This means that many people with disabilities are put in the untenable position of choosing between health care coverage and work. In addition, the extraordinary advances in technology and communications are often not accessible to or adapted for people with disabilities. Moreover, the wide range of public and private services that exist for people with disabilities are often difficult to access.

AN HISTORIC THREE-PART INITIATIVE TO IMPROVE ECONOMIC OPPORTUNITIES FOR AMERICANS WITH DISABILITIES

- **Funding the Work Incentives Improvement Act in the President's budget.** Health care -- particularly prescription drugs and personal assistance -- is essential for people with disabilities to work. Today, the President is announcing that his FY 2000 budget includes the full Work Incentives Improvement Act. This proposal, which costs $1.2 billion over 5 years, would:

  -- <u>Improve access to health care by:</u>
  - Providing greater incentives and options for states to enable people to return to work to

maintain eligibility for Medicaid. This provision: eliminates barriers to the buy-in for people with income above the current limits; allows people with conditions, such as rheumatoid arthritis, who are only able to work because of treatments that are covered to buy into Medicaid; and provides health care grants for states that take these important options;

- Extending Medicare coverage, for the first time, for people with disabilities who return to work. While Medicare does not provide as comprehensive a benefit as Medicaid, it assures that all people with disabilities who return to work have access to health care coverage, even if they live in a state that does not take the Medicaid option;

- Creating a new Medicaid buy-in demonstration to help people with a specific physical or mental impairment that, as defined by the state, is reasonably expected to lead to a severe disability without medical assistance. This could help people with muscular dystrophy, Parkinson's Disease, HIV or diabetes who may be able to function and continue to work with appropriate health care, but such health care is currently only available once their conditions have become severe enough to qualify them for SSI or SSDI and thus Medicaid or Medicare.

-- Modernize employment-related services by creating a "ticket" that will increase options and access for SSI or SSDI beneficiaries to go to either a public or a private provider for employment-related services. If the beneficiary goes to work and achieves substantial earnings providers would be paid a portion of the benefits saved through either an outcome or "milestone" payment.

-- Create a Work Incentive Grant program to provide benefits planning and assistance, facilitate access to information about work incentives, and foster coalitions to better integrate services to people with disabilities working or returning to work.

- **Providing an $1,000 tax credit for work-related expenses for people with disabilities.** The daily costs of getting to and from work, and being effective at work, can be high if not prohibitive for people with disabilities. Under this proposal, workers with significant disabilities would receive an annual $1,000 tax credit to help cover the formal and informal costs that are associated with and even prerequisites for employment, such as special transportation and technology needs. Like the Jeffords-Kennedy-Roth-Moynihan Work Incentive Act, this tax credit, which will help 200,000 to 300,000 Americans, helps assure that people with disabilities have the tools they need to return to work. It also has the advantage of helping people in all states irrespective of whether states take up optional coverage. It costs $700 million over 5 years.

- **Improving access to assistive technology.** Technology is often not adapted for people with disabilities and even when it exists, people with disabilities may not know about it or may not be able to afford it. This new initiative would accelerate the development and adoption of information and communications technologies, which can improve the quality of life for people with disabilities and enhance their ability to participate in the workplace. This initiative: (1) helps

make the Federal government a "model user" of assistive technology; (2) supports new and expanded state loan programs to make assistive technology more affordable for Americans with disabilities; and (3) invests in research and development and technology transfer in areas such as "text to speech" for people who are blind, automatic captioning for people who are deaf, and speech recognition and eye tracking for people who can't use a keyboard. It would cost $35 million in FY 2000, more than doubling the government's current investment in deploying assistive technology.

These steps mean that the Administration has taken action on all of the Task Force Recommendations. In December, the Vice President accepted the recommendations of the President's Task Force on the Employment of Adults with Disabilities, took action on their recommendations, and pledged that the Administration would review others in the budget process. With the new steps being taken today and an announcement Mrs. Gore is making tomorrow, the Administration has taken action on all of the Task Force formal recommendations:

-- Work to pass the Work Incentive Improvement Act -- included in Administration's budget.

-- Work to pass a strong Patients' Bill of Rights -- high Administration priority.

-- Examine tax options to assist with expenses of work -- in Administration's budget.

-- Foster interdisciplinary consortia for employment services-- in Administration's budget.

-- Accelerate development/adoption of assistive technology --in Administration's budget.

-- Direct Small Business Administration to start outreach -- Vice President announced 12/98.

-- Remove Federal hiring barriers for people w/ mental illness -- Mrs. Gore unveiling tomorrow.

-- Directed OPM to develop model plan for Federal hiring of people w/ disabilities -- Vice President unveiled 12/98.

PRESIDENT CLINTON AND VICE PRESIDENT GORE UNVEIL HISTORIC LONG-TERM CARE INITIATIVE TO SUPPORT FAMILY CAREGIVERS AND HELP ADDRESS GROWING LONG-TERM CARE NEEDS

January 4, 1999

Today, President Clinton is unveiling an historic new initiative to support Americans with long-term care needs and the millions of family members who care for them. This four-part, $6.2 billion (over five years) initiative takes important steps to address complex long-term care needs through: (1) an unprecedented $1,000 tax credit that compensates for formal or informal costs Americans of all ages with long-term care needs or the family caregivers who support them; (2) a new National Family Caregivers Support Program that provides a range of critical services for caregivers such as respite, home care services, and information and referral; (3) a national campaign to educate Medicare beneficiaries about the programs' limited coverage and how best to evaluate long-term care options; and (4) a proposal to have the Federal government serve as a model employer by offering quality private long-term care insurance to Federal employees at group rates.

The President is being joined by the First Lady, Secretary Rubin, Secretary Shalala, and OPM Director LaChance to unveil this initiative at the White House and the Vice President and Mrs. Gore are participating from an adult day care center in California, one of four States with model statewide family caregiving resource programs.

MILLIONS OF AMERICANS HAVE LONG-TERM CARE NEEDS

- **More and more Americans have a range of long-term care needs.** Over five million Americans have significant limitations due to illness or disability and thus require long-term care. Approximately, two-thirds are older Americans. Also, millions of adults and a growing number of children have long-term care needs because of health condition from birth or a chronic illness developed later in life.

- **The aging of Americans will only increase the need for quality long-term care options.** The number of Americans age 65 years or older will double by 2030 (from 34.3 to 69.4 million), so that one in five Americans will be elderly. The number of people 85 years or older, nearly half of whom need assistance with everyday activities, will grow even faster (from 4.0 to 8.4 million).

MULTI-FACETED INITIATIVE TO SUPPORT FAMILY CAREGIVERS AND ADDRESS GROWING LONG TERM CARE NEEDS. The President is unveiling a four-part initiative that is designed to address the broad-based and varied long-term care needs. It will: provide immediate support and assistance for the millions of Americans who care for family members with major long-term care needs; educate the elderly and people with disabilities about long-term care issues and options; and promote new promising strategies directions for long-term care policy for the twenty-first century. The President also called on the Vice President to host a series of forums around the nation to raise awareness about the need to support family caregivers and address the growing need for long-term care options.

The long-term care proposal being unveiled today by the President and Vice President includes:

- **Supporting families with long-term care needs through an historic $1,000 tax credit.** This initiative, for the first time, acknowledges and supports millions of Americans with long-term care needs or the family members who care for and house their ill or disabled relatives through a $1,000 tax credit. This new tax credit supports the diverse needs of families by compensating a wide range of formal or informal long-term care for people of all ages with three or more limitations in activities of daily living (ADLs) or a comparable cognitive impairment. This proposal, which supports rather than supplants family caregiving, would provide needed financial support to about 2 million Americans, including 1.2 million older Americans, over 500,000 non-elderly adults, and approximately 250,000 children. It costs $5.5 billion over five years and phases out beginning at $110,000 for couples and $75,000 for unmarried taxpayers.

- **Creating an unprecedented National Family Caregiver Support Program.** Recent studies have found that services like respite care can relieve caregiver stress and delay nursing home entry, and that support for families of Alzheimer's disease patients can delay institionalization for as long as a year. This new nationwide program, strongly advocated by the Vice President, would support families who care for elderly relatives with chronic illnesses or disabilities by enabling states to create "one-stop-shops" that provide: quality respite care and other support services; critical information about community-based long-term services that best meet a families' needs; and counseling and support, such as teaching model approaches for caregivers that are coping with new responsibilities and offering training for complex care needs, such as feeding tubes. This program, which costs $625 million over five years, would assist approximately 250,000 families nationwide.

- **Launching a national campaign to educate Medicare beneficiaries about the programs' limited coverage of long-term care and how best to evaluate their options.** Nearly 60 percent of Medicare beneficiaries are unaware that Medicare does not cover most long-term care, and many do not know what long-term care services would best meet their needs. This $10 million nationwide campaign would provide all 39 million Medicare beneficiaries with critical information about long-term care options including: what long-term care Medicare does and does not cover; how to find out about Medicaid long-term care coverage; what to look for in a quality private long-term care policy; and how to access information about home-and community-based care services that best fit beneficiaries' needs.

- **Having the Federal government serve as a model employer by offering quality private long-term care insurance to Federal employees.** The President also called on Congress to pass a proposal that allows OPM to use its market leverage and set a national example by offering non-subsidized, quality private long-term care insurance to all federal employees, retirees, and their families at group rates. This proposal, that costs $15 million over five years, will provide employers a model for offering quality long-term care insurance. OPM anticipates that approximately 300,000 Federal employees would participate in this program.

PRESIDENT CLINTON UNVEILS $479 MILLION IN NEW AIDS GRANTS AND MEETS WITH PRESIDENTIAL ADVISORY COUNCIL ON HIV/AIDS
December 18, 1998

Today, President Clinton will announce the release of $479 million in new Ryan White funding to improve primary health care and supportive services for people with HIV/AIDS. The President will unveil these grants in a meeting with his Advisory Council on HIV/AIDS where he will hear a report on their work and seek their advice on ways to improve the Nation's response to the HIV/AIDS epidemic. The President's Advisory Council on HIV/AIDS was created by the President in 1995 to provide guidance on the Nation's efforts to care for those living with HIV/AIDS, to stop the spread of the disease, and to improve vaccine and treatment research. It is chaired by Dr. Scott Hitt, a physician from Los Angeles specializing in AIDS care. The Council has 35 members, 13 of whom are HIV-positive and 13 of whom are persons of color. They come from around the country, sharing a broad range of perspectives that reflect the diversity of the epidemic. Today, the President will:

Announce new Title I grants for Ryan White. The President will announce that $479 million in grants is being released today under Title I of the Ryan White CARE Act to fund primary health care and supportive services for people living with HIV/AIDS. These grants serve low-income individuals and families in 50 eligible metropolitan areas hardest hit by the AIDS epidemic. These grants include special funds targeting African-Americans and other racial and ethnic minorities.

Work with the community to improve the Nation's response to HIV/AIDS. The President, accompanied by Sandra Thurman, Director of the Office of National AIDS Policy, will meet with his Advisory Council on HIV/AIDS to hear a report on their work and their advice on ways to improve the Nation's response to the HIV/AIDS epidemic. The President will urge the Council to work with Congress to take new steps in the fight against HIV/AIDS, including passing a strong enforceable patients' bill of rights, passing the Jeffords-Kennedy legislation that helps people with disabilities access affordable health care coverage so they can return to work, and enhancing efforts to find an AIDS vaccine.

Build on recent efforts to address the HIV/AIDS epidemic. Today's activities build on a deep ongoing commitment by the Clinton/Gore Administration to respond to the AIDS crisis both in the United States and across the world. The Administration has fought for other critical investments in HIV/AIDS. In the last few months alone, the President:

- Unveiled a new initiative on World AIDS Day 1998 to address the crisis of AIDS orphans and international HIV/AIDS. The President joined Secretary Albright and USAID Administrator Atwood to unveil a new initiative including: a 12 increase in NIH AIDS research funding, $200 million (a 33 percent increase) in HIV vaccine research, a $10 million to address the growing crisis of AIDS orphans in developing nations, and a fact-finding delegation to Africa by Sandra Thurman, Director of the Office of National AIDS Policy.

Declared HIV/AIDS in racial and ethnic minority communities to be a severe and ongoing health care crisis and unveiled a new $156 million initiative to address this problem, including crisis response teams, enhanced prevention efforts, and assistance in accessing state-of-the-art therapies, all targeted

toward ethnic and racial minorities in communities across the country;

Worked with Congress to secure historic increases in a wide range of effective HIV/AIDS programs. Increases this year alone include: a $262 million increase in Ryan White CARE Act funds; a 12-percent increase in AIDS research funding at the NIH; a $32 million increase in HIV prevention programs at the CDC; and a $21 million increase in the Housing Opportunities for People With AIDS program at HUD.

A solid record of progress in HIV/AIDS. The Clinton-Gore Administration has a proud record of accomplishment in its response to HIV/AIDS, including:

Increasing funding for major HIV/AIDS programs by over 100 percent:

-- a 266-percent increase in the Ryan White CARE Act
-- a 67-percent increase in AIDS research at the National Institutes of Health
-- a 125-percent increase in the Housing Opportunities for People With AIDS (HOPWA) program at HUD
-- a 64-percent increase in international AIDS funding at the U.S. Agency for International Development (USAID), and
-- a 34-percent increase in HIV prevention at the Centers for Disease Control and Prevention (CDC)

Protecting Medicaid and Social Security. The President fought to preserve the guarantee of coverage under Medicaid, which serves more than 50 percent of people living with AIDS -- and 92 percent of children with AIDS -- who rely on Medicaid for health coverage. He also revised eligibility rules for Social Security Disability Insurance to increase the number of HIV-positive persons who qualify for benefits.

Focusing National Efforts on an AIDS Vaccine. In May of 1997, the President challenged the nation to develop an AIDS vaccine within the next ten years. He announced a number of initiatives to help fulfill this goal, including: dedicating an AIDS vaccine research center at the National Institutes of Health and encouraging domestic and international collaboration among governments, medical communities and service organizations. On World AIDS Day 1998, the President announced $200 million in funding for vaccine research at the NIH, a $47 million (33 percent) increase over the previous fiscal year.

PRESIDENT CLINTON UNVEILS LEGISLATIVE AND ADMINISTRATIVE PROPOSALS TO FIGHT MEDICARE FRAUD, WASTE, AND ABUSE
December 7, 1998

Today, President Clinton announced additional steps to fight fraud, waste, and abuse in the Medicare program, building on the Administration's longstanding efforts in this area. The President unveiled a legislative package that will save Medicare over $2 billion. He also announced new administrative measures to crack down on fraud, including efforts to make Medicare contractors more effective and accountable. Today in an event with the Administrator of the Health Care Financing Administration (HCFA), the HHS Inspector General, Senator Tom Harkin, and the Older Women's League, the President:

ANNOUNCED NEW LEGISLATIVE PACKAGE THAT WILL SAVE MEDICARE OVER $2 BILLION BY COMBATING FRAUD, WASTE, AND ABUSE. President Clinton will send Congress a comprehensive legislative package to fight fraud, waste, and abuse in the Medicare program as part of his FY2000 budget proposal. These proposals, which are consistent with recommendations made by the HHS Office of the Inspector General (OIG) in recent reports and some of which have been recommended to Congress before, will give HCFA more tools to root out fraud, abuse, and waste in Medicare. The proposals include:

- **Eliminating Excessive Medicare Reimbursement for Drugs.** A recent report by the OIG confirmed that Medicare currently pays hundreds of millions of dollars more for 22 of the most common and costly drugs than it would if it used market prices. For more than one-third of these drugs, Medicare paid more than double the average wholesale price, and in one case paid ten times the amount. This proposal would base Medicare payments on the actual acquisition cost of these drugs to the provider, eliminating current mark-ups and thereby substantially reducing Medicare costs.

- **Ending Overpayments for Epogen,** a drug used to treat anemia related to chronic renal failure. An OIG report found that the current reimbursement rate of $10 per 1,000 units of Epogen exceeds the current cost of the drug by approximately 10 percent. The Administration's proposal reduces Medicare reimbursement to reflect current market prices.

- **Preventing Abuse of Medicare's Partial Hospitalization Benefit.** A recent OIG report found that providers are abusing Medicare by billing for partial hospitalization services that were never given or provided to many fewer patients than were billed for. This proposal would ensure that Medicare reimburses only for services actually given by placing stricter controls on the provision of these services.

- **Ensuring Medicare Does Not Pay for Claims Owed by Private Insurers.** Private insurers of working Medicare beneficiaries are required under law to be the primary payor of health claims. These insurers, however, do not always pay the claims for which they are responsible. This proposal prevents this abuse by requiring private insurers to report all Medicare beneficiaries they insure to HCFA. This proposal also would give HCFA greater authority to fine private insurers, including the authority to recoup twice the amount owed if insurers intentionally allow Medicare to pay claims for which they are responsible.

- **Empowering Medicare to Purchase Cost-Effective High-Quality Health Care.** Medicare now has limited demonstration authority to contract out with institutions that have a track record of providing exceptionally high-quality care at a reasonable price, called centers of excellence. This proposal would expand this authority to urban areas that have multiple providers, thereby enabling the Medicare program to provide higher quality health care at less cost.

- **Requesting New Authority to Enhance Contractor Performance.** HCFA still does not have the authority it needs to terminate more expeditiously contractors who do not effectively perform their duties. This proposal would give HCFA authority to contract with a wider range of carriers to administer the program, and then to terminate them if they fail to perform effectively. The proposal would give HCFA greater authority to oversee contractor performance of such functions as enrolling providers, investigating fraud, and collecting overpayments.

TOOK NEW ACTIONS TO HELP ENSURE MEDICARE CONTRACTORS FIGHT FRAUD, WASTE, AND ABUSE. Today, the President is also unveiling new administrative efforts to ensure contractors are cracking down on fraud and abuse. These include:

- **Contracting with Special Fraud Surveillance Units to Ensure Detection of Fraudulent Activities.** OIG reports have shown that many Medicare contractors do a poor job of investigating fraud, in part because they have a wide variety of other functions, and in part because they have multi-faceted relationships with providers that may create conflicts of interest. The Administration fought to include in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) new authority to contract with specialized fraud, waste, and abuse surveillance units or "fraud fighters," which are better equipped to audit cost reports and conduct activities that are vital to the detection of fraud, waste, and abuse. The first fraud surveillance units will begin their efforts this spring.

- **Implementing the Competitive Bidding Demonstration for Durable Medical Equipment.** The OIG recently found that Medicare rates for hospital beds are substantially higher than rates paid by other payers. HCFA will begin a demonstration this spring that will use competitive bidding to decrease Medicare payment for hospital beds and other durable medical equipment, thereby lowering program costs.

- **Requiring Contractors to Report Fraud Complaints to the Inspector General Right Away.** Many contractors now defer reporting cases of suspected fraud to the OIG when the dollar amounts are low, even though these reports could show significant patterns of fraud. This month, HCFA will send program memorandums to all contractors requiring them to refer suspected fraud to OIG immediately, regardless of the amounts involved.

- **Announcing That A New Comprehensive Plan to Fight Fraud and Abuse Will Be Completed By Early Next Year.** To improve efforts to cut down on fraud and abuse, HCFA will release a new Comprehensive Plan for Program Integrity early next year. This plan will outline new strategies to fight fraud, including enhanced use of audits and improved management tools.

BUILDING ON LONGSTANDING COMMITMENT TO FIGHTING FRAUD, WASTE, AND ABUSE. The new steps the President took today build on the Administration's longstanding commitment to crack down on fraud, waste, and abuse. Since 1993, the Administration's efforts have saved taxpayers more than $20 billion, with health care fraud convictions increasing by more than 240 percent. The Administration has assigned more federal prosecutors and FBI agents to fight health care fraud than ever before. HIPAA created, for the first time ever, a stable funding source to fight fraud and abuse, and in FY1997 alone -- the first full year of funding under HIPAA -- nearly $1 billion in fraud and abuse savings was returned to the Medicare Trust Fund.

PRESIDENT CLINTON AND VICE PRESIDENT GORE RELEASE
A PATIENTS' BILL OF RIGHTS REPORT
November 2, 1998

Today, President Clinton will urge voters to send back a Congress that shares his commitment to passing a strong enforceable patients' bill of rights next year. The President will also emphasize that while the Republican Leadership has stalled on the patients' bill of rights, the Administration has been doing everything possible to implement these protections in Federal health plans. To that end, the President will unveil a report from the Vice President documenting action that the Federal government is taking within its authority to implement the patients' bill of rights in the health plans it administers or oversees. Today, the President will:

- **Criticize the Republican Leadership for allowing Congress to adjourn without passing a strong patients' bill of rights.** For a full year, the President has been calling on the Congress to pass a strong enforceable patients' bill of rights. For months, the Republican Leadership used every possible stall tactic to thwart the patients' bill of rights. When the Republican Leadership finally did introduce a bill, their proposal contained more loopholes than patient protections. It did not contain critical protections such as access to specialists and offered false promises such as an appeals process that left the decisions in hands of HMO accountants. In fact, Senator Lott would not even allow an up or down vote to be held on this issue.

- **Urge voters to choose a Congress committed to passing a meaningful patients' bill of rights.** President Clinton has committed to doing everything possible to pass a strong patients' bill of rights in the next Congress. Today, the President will urge Americans to go to the polls tomorrow to elect a Congress that shares this commitment. This legislation should include enforceable patient protections, such as access to specialists, coverage of emergency room services when and where the need arises, continuity of care protections, an internal and independent external appeals process to appeal decisions made by HMO accountants, and protections to assure that HMOs are held accountable when patients are harmed or injured due to the decision of a health plan.

- **Release a report from the Vice President that highlighted that while the Republican Leadership delayed, the Administration is acting to implement patient protections in Federal health plans.** In February, the President directed Medicare, Medicaid, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program -- which serve over 85 million Americans -- to, where possible, come into compliance with the patients' bill of rights outlined by the President's Quality Commission. Today, the Vice President will release a report highlighting that these agencies have taken all the action within their statutory authority to implement patient protections. As a result, the Federal health plans are now, or soon will be, in virtual compliance with the patients' bill of rights. The report documents that:

  <u>The 285 participating health plans, covering nine million Federal employees and their dependents, have been directed to implement new patient protections this year</u>. The Office of Personnel Management (OPM), which oversees the Federal Health Employees Benefits Program (FEHBP), serving nine million Federal employees and dependents, has directed their 285 participating health plans to come into compliance with the patients' bill of rights. Through their annual call letter, OPM has specifically requested that the health plans implement protections including access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services. Finally, OPM has issued new regulations to prevent "gag clauses." OPM is also sending information to beneficiaries to assure they are fully aware of their new patient protections.

The 39 million Medicare beneficiaries are benefitting from critical patient protections. Building on Medicare's commitment to provide essential patient protections, HHS published an Interim Final rule, in June, that includes a series of new patient protections for Medicare beneficiaries. When this rule is fully implemented, Medicare will be virtually in compliance with the patients' bill of rights, including protections such as access to emergency services when and where the need arises, patient participation in treatment decisions, and access to specialists.

The 38 million Medicaid beneficiaries are being assured essential protections in the patients' bill of rights. In September, the Health Care Financing Administration published a Notice of Proposed Rulemaking (NPRM) adding new patients' protections for Medicaid beneficiaries, such as access to specialists and an expedited independent appeals process to bring the program in compliance with the patients' bill of rights, where possible.

Over eight million Americans will receive the protections in the patients' bill of rights by the end of this year as a result of the new policy directive assured by the Defense Department's Military Health System (MHS). In response to the President's directive, DoD issued "The Patients' Bill of Rights and Responsibilities in the Military Health System," a major policy directive to all participants in the MHS. This directive outlined new protections for the over 8 million beneficiaries served by MHS, including access to appropriate specialists for women's health needs and chronic illnesses and rights for the full discussion of treatment options and of financial incentives. With this directive, which will be fully implemented by the end of this year, DoD will now be in compliance with the patients' bill of rights.

Over three million veterans are or will soon be assured virtually all patient protections. In July, the Department of Veteran Affairs (DVA) issued an Information Memorandum to participating health providers announcing its intention to have an external appeals process in place by the end of the year. Similarly, DVA established a task force to make recommendations as to how best implement information disclosure requirements consistent with Commission's recommendations and developed a new brochure to provide beneficiaries the necessary information. With the implementation of these new protections, DVA is in virtual compliance with the patients' bill of rights.

The 125 million Americans covered by ERISA still are not assured critical patient protections because the Department of Labor does not have the authority to implement them without legislation. DoL oversees the Employee Retirement Income Security Act (ERISA), governing approximately 2.5 million private sector health plans, that cover about 125 million Americans, issued a new regulation to implement an expedited internal appeals process and information disclosure requirements. However, DoL's report underscores that unless Congress passes Federal legislation, they do not have the authority to implement most patient protections.

PRESIDENT CLINTON DECLARES HIV/AIDS IN RACIAL AND ETHNIC MINORITY COMMUNITIES TO BE A "SEVERE AND ONGOING HEALTH CARE CRISIS" AND UNVEILS NEW INITIATIVE TO ADDRESS THIS PROBLEM
October 28, 1998

Today, the President will declare HIV/AIDS in racial and ethnic minority communities to be a "severe and ongoing health care crisis" and will unveil a series of initiatives that invest $156 million to address this urgent problem. Citing the chronic and overwhelmingly disproportionate burden of HIV/AIDS on minorities, the President will outline a new comprehensive initiative that includes unprecedented efforts to improve the nation's effectiveness in preventing and treating HIV/AIDS in the African-American and Hispanic communities. The President will also highlight other important increases to fight HIV/AIDS in the budget as well as new funding for his initiative to address racial health disparities for a range of diseases, including HIV/AIDS.

HIV/AIDS in the minority community is a "severe and ongoing health care crisis. " While overall AIDS deaths have declined for two years in a row, AIDS remains the leading killer of African American men age 25-44 and the second leading killer of African American women in the same age group. African Americans comprise more than 40 percent of all new HIV/AIDS cases, and African-American women make up 60 percent of female cases. Hispanics represent over 20 percent of new HIV/AIDS cases and only about 10 percent of the population. This is also a critical concern in Asian American communities, as well as Native American communities, where many are high risk and hard to reach.

Historic initiatives invest $156 million for HIV/AIDS prevention and treatment in the minority community. During the recent budget negotiations, the Clinton Administration and the Congressional Black Caucus fought successfully to secure a major commitment of funds to address the urgent problem of HIV/AIDS among minorities through new prevention efforts, improved access to HIV/AIDS drug treatments, and training for health professionals who treat this disease. Over two-thirds of this funding is from new resources appropriated through the Omnibus Appropriations Act. The rest will be dedicated from the Department of Health and Human Services' budget.

> Crisis response teams. HHS will make available Crisis Response Teams to a number of highly affected areas. These teams of public health and HIV prevention and treatment experts, doctors, nurses, and epidemiologists -- from a range of agencies including the Substance Abuse and Mental Health Services Administration, the Health Resources and Services Administration, the Centers for Disease Control and Prevention -- will help assess existing prevention and treatment services for racial and ethnic minorities and develop innovative, effective strategies that best meet the needs of these communities. This effort will take place within a period of several weeks after a request for a crisis response team is received.

Enhanced HIV/AIDS prevention efforts in racial and ethnic minority communities. These funds will be used for HIV prevention purposes at the Centers for Disease Control such as grants for minority, community-based organizations to work with local health clinics, make testing and counseling available, conduct community workshops, and develop HIV and substance abuse prevention programs on the campuses of Historically Black Colleges and Universities and in institutions of higher learning that predominantly serve Hispanics. The funding also will help provide comprehensive substance abuse treatment programs for African American and Hispanic women with or at risk for HIV/AIDS and their children.

Reducing disparities in treatment and health outcomes for minorities with HIV/AIDS. Studies show that African Americans and Hispanics are much less likely to receive treatments that meet federally recommended treatment guidelines. This new funding, which supplements the already large increase in the Ryan White program, will help minorities get access to cutting-edge HIV/AIDS drug treatments as well as the range of primary health services needed to treat this disease. Funds also will be used to educate health care providers who treat largely minority populations on treatment guidelines for HIV/AIDS.

Unprecedented Increases in Effective HIV/AIDS Treatment, Prevention, and Research Programs. Substantial and critical funding increases in a wide range of effective HIV/AIDS programs, include:

An historic $262 million increase in the Ryan White Care Act, which provides primary HIV health care services, treatments, and training for health care professionals on HIV treatment guidelines. The treatment funding in this investment includes a more than 60 percent increase for the AIDS drug assistance program that provides protease inhibitors and other life-saving HIV/AIDS treatments to those who cannot afford the cost, which can run as high as $20,000 a year.

A 12 percent increase for HIV/AIDS research at NIH. In FY 1999, research on HIV/AIDS at the National Institutes of Health (NIH) will total $1.8 billion, a 12 percent increase. This increase will enhance both basic research to further our understanding of the HIV virus as well as applied research that includes clinical testing of new HIV/AIDS pharmacological therapies.

A Commitment to Eliminate Racial Health Disparities. Minorities suffer from a number of critical diseases, including HIV/AIDS, at higher rates than white Americans. Hispanics are more than four times as likely to get HIV/AIDS than whites, while African Americans are more than eight times as likely. The Congress has taken a first step in investing in the President's proposal to address racial health disparities by funding $65 million of this initiative. Congress partially funded the proposed grants for communities to develop new strategies to address these disparities and for increases in other critical public health programs, such as heart disease and diabetes prevention at CDC, that have shown promise in attacking these disparities.

Calling on Congress to Pass an Unfinished Agenda for People With HIV/AIDS.

A Patients' Bill of Rights. The President and Vice President have repeatedly urged the Congress to pass a strong, enforceable Patients' Bill of Rights that contains critical protections for people with HIV/AIDS, including access to specialists and continuity of care to prevent abrupt changes in critical treatment when an employer changes health plans.

A Work Incentives Bill for People with Disabilities. Congress also failed to pass the bipartisan Jeffords-Kennedy bill that would have enabled people with disabilities and other disabling conditions, such as HIV/AIDS, to return or to remain at work by expanding options to buy into Medicaid and Medicare and by offering other pro-work initiatives. This bill was on the list of top Administration priorities in the final budget negotiations.

PRESIDENT CLINTON ANNOUNCES NEW INITIATIVE TO HELP MEDICARE BENEFICIARIES DROPPED BY HMOs
Takes Steps To Prevent It From Happening Again
October 8, 1998

Today, the President unveiled an initiative to respond to decisions by some Health Maintenance Organizations (HMOs) to drop out of selected markets in the Medicare program. The Department of Health and Human Services' preliminary analysis indicates that because of these withdrawals a relatively small number of Medicare beneficiaries currently in HMOs (less than one percent of the 6.5 million beneficiaries in managed care plans -- 50,000 beneficiaries) will have no managed care alternative in their area. (There are a total of 38 million Medicare beneficiaries including the 6.5 million in managed care.) In response, the President:

- **Criticized health plans for demanding the ability to raise costs and reduce benefits as a precondition for staying in the Medicare program.** The President underscored that Medicare should not -- and will not -- be held hostage to HMO threats to leave the program unless HMO's can control benefits to Medicare beneficiaries.

- **Announced a new policy to expedite the approval of health plans applying to enter markets without HMOs.** HHS will expedite its review and approval of HMOs seeking to enter markets that have been left without a managed care option. HHS will give these applications first priority for review and will expedite their entrance into the market so long as they meet the solvency, quality, and other standards necessary to protect beneficiaries.

- **Initiated a new campaign to help Medicare beneficiaries understand their rights and options.** To inform Medicare beneficiaries affected by HMO withdrawals of all of their rights and options -- including the fact that they are automatically eligible for traditional ee-for-service Medicare and that they have guaranteed access to Medigap policies that help fill coverage gaps -- HHS will enlist public and private partners representing tens of millions of older Americans to provide their members with needed information through newsletters, conferences, and targeted information campaigns. These partners include the Leadership Council of Aging Organizations, the American Association of Health Plans, the American Association Retired Persons, the National Council of Senior Citizens, the National Rural Health Association, the National Committee to Preserve Social Security, the National Council on Aging, the National Council of Senior Citizens, the National Hispanic Council on Aging, the National Caucus and Center on Black Aged, and the Older Women's League, as well as the Social Security Administration, Health Care Financing Administration regional offices, and State Health Insurance Assistance Programs. In addition, HHS will post new information about plan withdrawals on the Medicare Internet site (Medicare.gov), so that beneficiaries in every local area have the most up-to-date information on available coverage options.

- **Directed Secretary Shalala to develop new legislation to protect Medicare beneficiaries from HMO withdrawals.** The President stated determination to work with Congress, health plans, and advocates for older Americans to ensure an adequate range of health plan options for beneficiaries and reduce the likelihood that beneficiaries will face this kind of turmoil in the future. To that end, he asked the Secretary to recommend specific legislation, to be included in his next budget, to enhance HMO participation in the Medicare program and protect beneficiaries from precipitous plan withdrawals.

- **Highlighted the need for Congress to reauthorize the Older Americans Act.** One of the most important ways for older Americans to get critical information and counseling about health-care options is through the programs provided by the Older Americans Act. Today, the President sent a letter to Senator Lott and Speaker Gingrich urging them to pass, before Congress adjourns, legislation to reauthorize Older Americans Act. That legislation has broad bipartisan support. The President emphasized that failure to do so would call into question our nation's commitment to the vital services this act provides to millions of older Americans.

PRESIDENT CLINTON ANNOUNCES A NEW REGULATION TO BRING THE MEDICAID PROGRAM INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS AND REITERATES CALL ON CONGRESS TO PASS A STRONG PATIENTS' RIGHTS BILL THIS YEAR
September 17, 1998

Today, in a speech before the International Brotherhood of Electrical Workers, President Clinton announced that the Department of Health and Human Services has completed a new regulation to bring the Medicaid program into compliance with the patients' bill of rights. This new proposed regulation -- part of the President's ongoing efforts to institute the patients' bill of rights for all federal health plans -- will provide critical patient protections to millions of Americans served each year by the Medicaid program, including children, people with disabilities, and older Americans. The President also urged Congress to pass a strong patients' bill of rights this year, and criticized the Senate Republican Leadership for failing to bring this important legislation to a vote. Today, the President:

ANNOUNCED A NEW REGULATION TO BRING MEDICAID INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS. The President announced that the Department f Health and Human Services has completed a new regulation that will give the over 20 million Medicaid beneficiaries in managed care plans the patient protections they need and deserve. This proposed regulation would require managed care plans in all fifty states to provide needed patient protections to Medicaid beneficiaries including:

-- Access to the specialists they need;

-- Anti-gag rules to ensure that health professionals can discuss all medical treatment options with their patients;

-- Access to providers for women's health services;

-- Access to emergency room services when and where the need arises;

-- Disclosure of clear, up-to-date information about benefits, plan operations, and protections; and

-- A timely internal appeals process as well as an independent external appeals to assure patients can address grievances with their health plans.

HIGHLIGHTED THE EXECUTIVE ACTIONS THE ADMINISTRATION HAS TAKEN TO APPLY THE PATIENTS' BILL OF RIGHTS TO TENS OF MILLIONS OF AMERICANS IN FEDERAL HEALTH PLANS. The Medicaid regulation the President announced today is part of his longstanding effort to bring Federal health plans into compliance with the patients' bill of rights. In June, the Department of Health and Human Services extended the patients' bill of rights to Medicare beneficiaries. The Department of Defense, the Department of Veterans' Affairs, and the

Office of Personnel Management have issued directives extending similar patient protections to servicemen and women, veterans, and federal employees. Taken together, these executive actions are extending protections to tens of millions of Americans.

UNDERSCORED NEED FOR STRONG LEGISLATION AND URGED THE REPUBLICAN LEADERSHIP TO STOP STALLING AND PASS A BILL THIS YEAR. While the President has acted to ensure that Federal health plans implement the patients' bill of rights, Congress must act to ensure that private health plans give their patients the protections they need and deserve Just yesterday, the Republican Leadership again refused to allow an up or down vote on the patients' bill of rights. The President urged the Republican Leadership to stop stalling and pass a strong enforceable patients' bill of rights this year.

REITERATED WHY THE ADMINISTRATION CANNOT SUPPORT THE LEADERSHIP PATIENTS' BILL OF RIGHTS. The President also reiterated his serious concerns about the shortcomings of the current Republican Leadership bills which:

- **Let HMOs, not informed health professionals, define medical necessity.** The Republican Leadership proposals provide for an external appeals process, but make this process meaningless by allowing the HMOs themselves, rather than informed health professionals, to define what services are medically necessary. This loophole will make it very difficult for patients to prevail on appeals to get the treatment their doctors believe they need.

- **Fail to guarantee direct access to specialists.** The Republican Leadership proposals fail to ensure that patients with serious health problems have direct access to the specialists they need. This means that patients with cancer or heart disease may be denied access to the doctors they need to treat their conditions.

- **Reverse course on emergency room protections.** The Republican Leadership proposals back away from the emergency room protections that Congress implemented in a bipartisan manner for Medicare and Medicaid beneficiaries in the Balanced Budget Act of 1997. The bills include a watered-down provisions that do not ensure coverage for any treatment beyond an initial screening. These provisions put patients at risk for the huge costs associated with critical emergency treatment.

- **Fail to protect patients from abrupt health care changes.** The Republican Leadership bills fail to assure continuity of care when an employer changes health plans. These deficiencies mean that pregnant women or individuals undergoing care for a chronic illness may have their care suddenly altered mid course, potentially causing adverse health consequences.

- **Allow financial incentives to threaten critical patient care**. The Republican Leadership proposals fail to prohibit secret financial incentives to providers. This omission would leave patients vulnerable to financial incentives that limit patient care.

- **Undermine existing medical privacy protections**. The House Republican Leadership bill

would preempt some existing medical privacy protections guaranteed by state law, without putting protections in their place. As a result, the Republican bill would increase the number of individuals who can review and give out health records without a patient's knowledge or consent.

- **Fail to compensate patients who have suffered harm as a result of a wrongful health plan action.** The proposed per-day penalties in the Republican Leadership plans fail to hold health plans accountable when patients suffer serious harm or even death because of a health plan's wrongful action. For example, if a health plan improperly denies a lifesaving cancer treatment to a child, it will incur a penalty only for the number of days it takes to reverse its decision; the plan will not have to pay the family for all the damages they will suffer as the result of having a child with a now untreatable disease. And because the plan will not have to pay for all the harm it causes, it will have insufficient incentive to change its health care practices in the future.

- **Do not cover all health plans.** Both Republican Leadership bills leave millions of Americans unprotected. The Senate Republican proposal, for example, covers only self-insured plans, thus leaving out more than 100 million Americans, including millions of Americans in small businesses. These Americans are left to hope that states will provide them with the set of patient protections that the Republicans in Congress will not.

PRESIDENT CLINTON ANNOUNCES INITIATIVE TO IMPROVE THE QUALITY OF NURSING HOMES
July 21, 1998

Today, President Clinton announced tough new legislative and administrative actions to improve the quality of nursing homes. These actions include: ensuring swift and strong penalties for nursing homes failing to comply with standards, strengthening oversight of state enforcement mechanisms, developing a national registry to track and identify individuals with a record of abusing residents, and implementing unprecedented efforts to improve nutrition and prevent bed sores.

Background on Nursing Homes. About 1.6 million older Americans and people with disabilities receive care in approximately 16,700 nursing homes. Since the Health Care Financing Administration (HCFA) put new regulations in place in 1995, the health and safety of nursing homes has improved. For example, the inappropriate use of physical restraints has been cut by more than half and the number of nursing home residents receiving hearing aids is up 30 percent. But HCFA's ongoing review, as well as the report that HHS is transmitting to Congress today, shows that tougher enforcement is needed to ensure high quality care in all nursing homes. In response, the President is announcing a tough new initiative to crack down on poor quality nursing homes and ensure high quality care.

The President Is Sending Legislation to Congress This Week That Calls for:

- **New Criminal Background Checks.** An important way to improve the quality of nursing homes is to prevent personnel who have a criminal record from entering the system in the first place. The legislation the President is proposing would require nursing homes to conduct criminal background checks on all potential personnel.

- **National Abuse Registry.** Once inadequate personnel have been identified, they should be kept out of the system for good. The new legislation would establish a national registry of nursing home employees convicted of abusing residents.

- **Improved Nutrition and Hydration.** Currently, too few nursing home staff are available to help feed residents. To improve nutrition in nursing homes, this legislation would allow more categories of nursing home employees to receive training in and then to perform crucial nutrition and hydration functions.

- **Reauthorization of the Nursing Home Ombudsman Program.** The President also called on Congress to reauthorize the nursing home ombudsman program run by the Administration on Aging, which provides consumers with critical information on poor-quality nursing homes, including records of abuse and neglect.

The President Also Announced New Administrative Actions To Improve the Quality of Nursing Homes. Today, the President announced a series of new penalties, new inspections, and tougher oversight that HCFA will implement immediately, including:

- **Immediate Civil Monetary Penalties on Nursing Homes That Violate Federal Standards.** To crack down on inadequate providers, HCFA will direct enforcement authorities to impose civil monetary penalties immediately upon finding that a nursing home has committed a serious or chronic violation. Under current practice, enforcement officials often give nursing homes numerous opportunities to come into compliance, rather than imposing immediate sanctions.

- **Tougher Nursing Home Inspections**. Starting today, HCFA will take several steps to strengthen states' inspection of nursing homes, such as:

  -- Staggering survey times: The report that HCFA is transmitting to Congress finds that nursing home inspections are too predictable, allowing inadequate nursing homes to prepare for inspections. Enforcement officials will now stagger survey times and conduct some surveys on weekends and evenings.

  -- Targeting chains with bad records: Federal and State officials will target nursing home chains that have a poor record of compliance with quality standards, to ensure these nursing homes receive frequent inspections.

  -- Prosecuting egregious violations: HCFA also will work with the HHS Office of Inspector General and Department of Justice to refer egregious violations of quality of care standards for criminal or civil investigation and prosecution when appropriate.

- **Stronger Federal Oversight of State Nursing Home Enforcement Mechanisms.** HCFA will increase its oversight of state surveyors and take new tough actions against states that are failing to enforce standards adequately. It will:

  -- Terminate Federal nursing home inspection funding to states with continual poor records. The report being released by HCFA finds that some states have cited few or no nursing homes for substandard care. In states where oversight is clearly inadequate, HCFA will terminate state contracts and contract with other entities to conduct Federally-required inspections.

  -- Increase oversight of state inspections. HCFA will increase its review of the surveys conducted by the states to ensure thorough oversight, as well as provide additional training and assistance to state enforcement officials.

  -- Ensure that nursing homes are in compliance with standards before lifting sanctions. HCFA will increase oversight of state enforcement officials to ensure that they will not lift sanctions until after an on-site visit has verified compliance.

- **Preventing Bed Sores, Dehydration, and Malnutrition.** HCFA will implement new oversight to ensure that nursing homes take actions to prevent bed sores, dehydration, and malnutrition. State surveyors will be required to monitor these activities and to sanction

nursing homes with patterns of violations. HCFA also will work with the Administration on Aging, the American Dieticians Association, clinicians, consumers, and nursing homes to develop best practice guidelines to prevent malnutrition, dehydration, and bedsores.

- **Publishing Survey Results on the Internet.** To increase accountability and flag repeat offenders for families and the public, HCFA will, for the first time, post individual nursing home survey results on the Internet.

- **Implementing New Efforts to Measure and Monitor Nursing Home Quality**. In June 1998, HCFA began collecting information on resident care through a national automated data system, known as the Minimum Data Set. This information will be analyzed to identify potential areas of inadequate care in nursing homes and to assess performance in critical areas, such as nutrition, avoidable bed sores, loss of mobility, and use of restraints. This assessment will help HCFA and state surveyors to conduct thorough evaluations of nursing homes and detect problems early.

PRESIDENT CLINTON MEETS WITH MEMBERS OF CONGRESS IN SUPPORT PASSING A STRONG PATIENTS' BILL OF RIGHTS
July 16, 1998

Today, the President joined Members of Congress on Capitol Hill to support passing a strong bipartisan patients' bill of rights this year. Following his meeting yesterday with families, doctors, and nurses at the AMA, the President today reiterated his call on Congress to pass this legislation before adjournment. The Dingell/Ganske patients' rights legislation underscores the need to address health challenge in a bipartisan manner. Today:

The President reiterated his call on Congress to pass a strong enforceable patients' bill of rights before they adjourn. For nine months the President has been calling on Congress to pass a patients' bill of rights that includes: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity of care protections to ensure that patients' care will not abruptly change if their provider is dropped; access to a timely internal and independent external appeals process for consumers to resolve their differences with their health plans; a limit on financial incentives to doctors to limit care; ensuring that doctors and patients can openly discuss treatment options; and ensuring that women have direct access to an OB-GYN. Any bill of rights should include an enforcement mechanism that ensures recourse for patients who have been maimed or who have died as a result of health plan actions. A right without a meaningful remedy is simply not a right.

The Republicans in the House and the Senate have outlined proposals that fall far short of providing patients the protections they need. After nine months of ignoring the President's call for a strong, enforceable, bipartisan patients' bill of rights, the Republican Leadership has responded with a rhetoric-laced, partisan proposal that places the interests of insurers above the needs of patients. The fact that Republicans have yet to introduce a bill with less than 40 days left in this Congress raises serious questions as to whether they are truly committed to passing a bill of rights or just selling a bill of goods to the American public. The Republican proposals fall short in many areas. For example, they:

- **Do not guarantee access to specialists.** We have heard again and again about patients who could not see oncologists or specialists to treat heart conditions or diabetes. The Republican proposals do not ensure that patients with critical health needs have access to the specialists they need.

- **Do not limit or require disclosure of financial incentives for doctors.** Patients should not be put at risk by unknown destructive financial incentives to limit patient care.

- **Do not compensate patients who are maimed or who die as a result of a wrongful health plan action.** A right without a remedy is simply not a right. The Republican Leadership proposals do not have adequate recourse for patients who are maimed or injured by their health plans.

The Senate Republican proposal introduced yesterday contains even fewer patient protections than the proposal in the House. It:

- **Does not provide over 100 million Americans all of the patient protections they need.** The Senate Republican proposal applies only to Americans in self-insured plans and excludes the majority of Americans. Therefore, those tens of million of Americans excluded from these protections would have the rights they need only if every state passed every protection into law.

- **States patients' rights laws do not provide the protections patients need.** As a new report released today by Families USA highlights, no state has passed all of the protections in the patients' bill of rights, and most states have passed only a few of the protections.

- **Unfair to Americans in small businesses.** Most Americans who work in small businesses would not be protected by the Senate Republican proposal. The plan explicitly excludes these Americans from these protections and holds them hostage to the hope that every state will some day pass these protections.

- **Inconsistent with the bipartisan Kassebaum-Kennedy law.** Rejects bipartisan Kassebaum-Kennedy approach that guarantees insurance protections are extended to all Americans.

- **Does not provide any enforcement provision.** This is even worse than the House proposal which contained a weak enforcement mechanism.

The President Remains Committed to Passing a Strong, Enforceable Patients' Bill of Rights in This Congress. The President is committed to working with the Congress to pass bipartisan legislation to provide patients the protections they need.

PRESIDENT CLINTON ANNOUNCES FEDERAL HEALTH PLANS LEAD THE WAY AT AN AMA PATIENTS' BILL OF RIGHTS ROUNDTABLE UNDERSCORING NEED FOR PASSING STRONG LEGISLATION
July 15, 1998

Today, at the American Medical Association (AMA), the President met with doctors, nurses, and families from around the nation who highlighted the critical need for Congress to pass a strong enforceable patients' bill of rights this year. The President of the AMA, Nancy Dickey, praised President Clinton's leadership and pledged the AMA's continuing efforts to pass a meaningful patients' bill of rights before Congress adjourns. The President also announced that the Federal government is leading the way by implementing the patients' bill of rights for the 85 million Americans in Federal health plans. Today, the Department of Veterans' Affairs announced that it is beginning its implementation of an external appeals process for the 3 million veterans served by the DVA.

Doctors, nurses, families of patients, and benefits managers from around the country strongly urged Congress to pass a patients' bill of rights. The individuals who met with the President in today's round table discussion with the AMA included: (1) a man from Chicago whose wife died after her HMO forced her to travel from Hawaii to Chicago in an emergency to be treated at an in-network hospital; (2) a woman from Kansas whose husband died because he was delayed and denied access to a specialist for heart surgery until it was too late; (3) a man from Seattle whose sister died after her health plan reversed a treatment decision for which it should have provided coverage in the first place, after it was too late for the treatment to be effective; (4) a Massachusetts oncologist who has witnessed numerous patients denied access to the specialists they need; (5) the President of the American Nurses Association, who spoke on behalf of thousands of nurses around the country who see every day the devastating health consequences for patients who have been denied access to specialists, or have an abrupt transition in care; and (6) a woman who reviews claims in an oncologists' office and has witnessed, again and again, health plans deny patients access to the care they need.

While Congress delays passing legislation, the Clinton Administration is implementing the patients' bill of rights for Americans in Federal health plans, including a new external appeals process for veterans. Today, the Department of Veterans' Affairs is announcing that it is beginning the implementation of an external appeals process for the three million veterans served by DVA. This new external appeals process builds on the other protections already in place at DVA, including ensuring patients full participation in treatment decisions, access to specialists, access to women's health services, preventing anti-gag clauses, preventing financial incentives to limit care, and one of the most extensive internal appeals processes in the country. In February, the President signed an Executive Memorandum to bring all Federal health plans, which serve 85 million Americans, in compliance with the patients' bill of rights.

- **President Clinton reiterated his call on Congress to pass an enforceable patients' bill of rights before they adjourn.** For nine months, the President has been calling on Congress to pass a patients' bill of rights that includes: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity

of care protections to ensure patient care will not abruptly change if their provider is dropped; access to a timely internal and independent external appeals process for consumers to resolve their differences with their health plans; a limit on financial incentives to doctors; ensuring that doctors and patients can openly discuss treatment options; ensuring that women have direct access to an OB-GYN. Any bill of rights should include an enforcement mechanism that ensures recourse for patients who have been maimed or who have died as a result of health plan actions. A right without a meaningful remedy is simply not a right.

- **The Senate Republican patients' bill of rights proposal announced today is closer to an insurers' bill of rights than a patients' bill of rights.** After nine months of ignoring the President's call for a strong enforceable, bipartisan patients' bill of rights, the Senate Republicans have responded with a rhetoric-laced, partisan proposal places the interests of insurers above the needs of patients. The proposal, for which there continues to be no legislative language, falls far short of what patients need to ensure that their health plans are held accountable for their basic health care needs. Specifically, it does not include access to specialists, ensuring that patients are not put at risk through unknown destructive financial incentives to limit patient care; and a strong, workable enforcement provision which is essential to ensure that these protections are real. Moreover, the Republican proposal, however inadequate, applies only to Americans in self-insured plans thus excluding the majority of Americans who are in fully-insured plans. Therefore, those tens of million of Americans excluded from these protections would have the rights they need only if every state passed every protection into law.

- **The President remains committed to passing a strong enforceable patients' bill of rights in this Congress.** Notwithstanding his concerns about the Republican bill, the President will work to pass a strong enforceable patients' bill of rights this year. The patients' bill of rights has been a longstanding priority for the President. In 1996, he called for the establishment of a bipartisan Quality Commission to examine the changing health care system. In March of 1997, he appointed the Commission and instructed them to develop a patients' bill of rights as their first order of business. In November, he endorsed the patients' bill of rights and called on the Congress to make it the law of the land. In his State of Union address, he focused the nation on this issue and reiterated his call on Congress to pass this legislation. One month later, he issued an Executive Memorandum directing the Federal health plans, which cover 85 million Americans, to implement the patients' bill of rights. Since that time, he has been ensuring that the Federal agencies are implementing these protections and reiterating his call on Congress to pass legislation this year.

PRESIDENT CLINTON ISSUES EXECUTIVE MEMORANDUM TO STOP HEALTH PLANS FROM VIOLATING KASSEBAUM-KENNEDY PROTECTIONS

July 7, 1998

Today, following the one-year anniversary of the implementation of the Kassebaum-Kennedy legislation, the President issued an Executive Memorandum directing the Office of Personnel Management (OPM) to take action to ensure compliance with the Kassebaum-Kennedy law. It requires health insurers to comply with the 1996 law in order to participate in the Federal Employees Health Benefits Program (FEHBP) and calls on OPM to take all actions necessary -- up to and including termination -- against insurers that violate the protections afforded by the Health Insurance Portability and Accountability Act (HIPAA). The President also announced that the Health Care Financing Administration (HCFA) and the National Association of Insurance Commissioners (NAIC) will forward any reports of violations to OPM, allowing the agency to take strong actions against these health plans.

There Have Been Reports That Some Health Insurers Are Circumventing Kassebaum-Kennedy Protections. The HIPAA law helps individuals keep health insurance when they change jobs, guarantees renewability of coverage, and guarantees access to health insurance for small businesses. According to the General Accounting Office, HCFA, and press reports, some insurers are giving insurance agents incentives to avoid enrolling qualified Americans with pre-existing conditions, who are guaranteed access to coverage under HIPAA. Agents also have reportedly delayed processing applications submitted by HIPAA-eligible individuals or small groups in order ensure that applicants have a sufficient break in coverage to lose eligibility for Kassebaum-Kennedy protections. Such actions are inconsistent with the letter and the spirit of the 1996 law.

Today, the President took strong action against insurers who violate the Kassebaum-Kennedy protections. Specifically, he:

- **Directed OPM to Ensure Health Plans Are In Compliance With Kassebaum-Kennedy to Participate in FEHBP.** In order to be eligible to participate in the FEHBP, insurance carriers subject to HIPAA will have to certify in writing to OPM, which oversees FEHBP, that they are providing access to health insurance consistent with the HIPAA protections.

- **Directed OPM to Take Action, Up To and Including Termination, of Health Plans That Delay or Deny Coverage to Americans Eligible Under Kassebaum-Kennedy.** To ensure compliance with HIPAA, the President directed the OPM to take all appropriate action -- up to and including termination of a participating health plan from FEHBP. This action will help ensure that the 350 participating carriers in this program, who serve 9 million enrollees, are providing access to health insurance to all Americans eligible under the important 1996 law.

- **Directed HCFA to Report Any Abuses to OPM.** The President also directed HCFA to report to OPM any actions taken by an insurer or insurer representative that in any way precludes or inhibits access to the insurance protections provided under HIPAA.

- **Announced Collaboration With the National Association of Insurance Commissioners (NAIC) to Help Stop Abuses.** The NAIC has also committed to help identify and report to OPM any insurers they uncover who are denying or delaying providing individuals the Kassebaum-Kennedy protections.

- **Requested HHS and the Labor Department to report back within six months on the successes and obstacles to implementation of HIPAA.**

These Actions Build on the President's Commitment to Ensuring ThatHIPAA Provides Millions of Americans Access to Health Insurance.

- **Directed HHS to Issue Strong Warnings Regarding Unacceptable Insurance Practices.** Earlier this year, when the President first learned of efforts to circumvent the HIPAA law, he instructed the Department of Health and Human Services to take appropriate actions to stop health plans and their agents to cease and desist such harmful and likely unlawful practices. HCFA responded by immediately releasing a strong guidance bulletin on March 18, 1998, to State Insurance Commissioners for distribution to insurers in each state. This bulletin advised insurers that delaying or denying health care coverage to Americans eligible for insurance under HIPAA was unlawful and inappropriate and it underscored the Federal Government's commitment to ensure compliance.

- **Fought Hard for Kassebaum-Kennedy Insurance Reforms in 1996.** This act includes several other high priority Clinton Administration health initiatives, including:

  -- Eliminating the discriminatory tax treatment of the self-employed. Increased the tax deduction from 30 percent to 80 percent for the approximately 10 million Americans who are self-employed. The President also signed into law a provision to phase it in to 100 percent in the Balanced Budget Act of 1997.

  -- Strengthening efforts to combat health care fraud, waste, and abuse. The Kassebaum-Kennedy law created a new stable source of funding to fight fraud and abuse that is coordinated by the HHS Office of the Inspector General and the Department of Justice. In the first year alone, this effort saved the Medicare Trust Fund nearly $1 billion.

  -- Providing consumer protections and tax incentives for private long-term care insurance. This law also makes private long-term care insurance more affordable, guaranteeing that employer sponsored long-term care insurance will receive the same tax treatment as health insurance and ensuring that any tax favored product meets basic consumer and quality standards.

PRESIDENT CLINTON LAUNCHES NEW CAMPAIGN TO ENSURE THAT LOW-INCOME MEDICARE BENEFICIARIES RECEIVE PREMIUM ASSISTANCE
July 6, 1998

Today, President Clinton announced a new outreach campaign to help millions of low-income seniors and people with disabilities get assistance in paying Medicare premiums. A study by Families USA reports that over 3 million low-income Medicare beneficiaries are not enrolled in the Qualified Medicare Beneficiary (QMB) and related programs that pay for Medicare premiums and (for some) co-payments and deductibles. This assistance was expanded last year in the Balanced Budget Act. However, as this new report underscores, many eligible beneficiaries are not aware of these cost-sharing protections and others have difficulty accessing this critically needed assistance.

To address this problem, the President has requested that the Department of Health and Human Services (HHS) and the Social Security Administration (SSA) launch a multi-faceted effort to enroll eligible Medicare beneficiaries in QMB and related programs. These new initiatives, which build on existing efforts to help identify and enroll eligible beneficiaries and parallel the President's efforts on children's health outreach, include:

- **Launching major new initiatives to educate Medicare beneficiaries about premium assistance programs.** HHS and SSA will make unprecedented efforts to ensure that beneficiaries know about these programs by distributing clear, plainly written information about these programs by:

  -- Sending written information to all 38 million Medicare beneficiaries about this program through pamphlets that will be sent to all beneficiaries this fall.

  -- Informing every one of the 1.8 million new Medicare beneficiaries about this program in the Medicare initial enrollment package that is sent to these beneficiaries.

  -- Including information describing this program and an eligibility screening worksheet on the new Medicare Internet site, "www.medicare.gov," which is used by millions of older Americans and their families, as well as others who work with the elderly and people with disabilities.

  -- Sending program information to more than 36 million individuals receiving Social Security benefits in the annual cost-of-living adjustment (COLA) notices this fall.

  -- Distributing 450,000 pamphlets as well as placing posters in SSA's 1,300 field offices where millions of beneficiaries go to enroll and ask questions about these programs. SSA will direct its field office employees to reach out to the millions of beneficiaries they see every day to ensure they are informed about QMB and related programs.

- **Encouraging the use of a simplified application process.** In July, the Health Care Financing Administration (HCFA) will send a letter to State Medicaid agencies that includes a model, simplified application as well as examples of successful outreach and enrollment programs. HCFA will encourage states to adopt simple, user-friendly procedures such as a mail-in application.

- **Creating a Federal-State-consumer advocate task force to develop new strategies to enroll eligible beneficiaries.** Beginning this month, HHS, SSA, the National Governors' Association, Administration on Aging and advocates of the elderly and people with disabilities will collaborate to identify and implement strategies to educate beneficiaries about this program and to make it easier to enroll.

- **Targeting eligible beneficiaries through direct mailings.** This fall, HCFA will send a letter to a targeted group of beneficiaries who are likely to be eligible for these protections. The targeting population list will come from a list of beneficiaries supplied by SSA that the agency believes may be eligible. The letter will explain the program and encourage beneficiaries to apply.

- **Providing the State Insurance Counseling and Assistance Programs (ICAs) with materials to assist beneficiaries in enrolling in the premium assistance programs.** ICAs provide assistance on insurance and benefits to millions of older and disabled Americans.

These new initiatives build on an ongoing commitment by HCFA and SSA to target and enroll these vulnerable, low income Americans. HCFA has provided training materials on identifying and assisting potential beneficiaries to providers, advocates and States. SSA has included information on programs in handouts that could reach potential candidates.

Background on the QMB and related programs. The following table shows eligibility for premium and cost sharing assistance programs, which are offered in all States.

Category	Income (Poverty)	Annual Income 1998 Individual	Couple	Medicaid Pays For:
QMB	0 to 100	up to 8,290	up to 11,090	Medicare part A and B premiums, deductibles, and co-payments
SLMBs	100 to 120	8,291 to 9,900	11,091 to 13,260	Medicare part B premiums
QI-1	120 to 135	9,901 to 11,108	13,261 to 14,888	Medicare part B premiums
QI-2	135 to 175	11,109 to 14,328	14,889 to 19,228	part of Medicare part B premium

Notes: Income guidelines include a $240 unearned income disregard; poverty thresholds are different in AK and HI. There is also an assets limit of $4,000 for individual and $6,000 for couples for all groups. QI programs are subject to the availability of capped funding allotments.

PRESIDENT CLINTON ANNOUNCES HISTORIC PROSTATE CANCER RESEARCH GRANTS AT THE DEPARTMENT OF DEFENSE AND HIGHLIGHTS THE ADMINISTRATION'S AMBITIOUS AGENDA TO FIGHT PROSTATE CANCER

June 20, 1998

Today, in his Father's Day radio address, President Clinton announced the release of nearly $60 million at the Department of Defense for prostate cancer research. These largest-ever prostate cancer grants will be awarded by DoD to promising researchers making important contributions to the diagnosis and treatment of prostate cancer. These efforts will complement exciting developments in prostate cancer research at the National Institutes of Health (NIH). This year nearly 200,000 men are expected to be diagnosed with prostate cancer, accounting for 30 percent of cancer in men, and nearly 40,000 men are projected to die from this disease (virtually the same number of women who die from breast cancer). The President also renewed his call on Congress to pass his budget proposals for historic, multi-year increases in cancer research at NIH and coverage of cancer clinical trials for Medicare beneficiaries. These proposals complement the President's strong record in the war against cancer. Highlights of the President's ambitious prostate cancer agenda include:

- **Releasing the Largest-Ever Grants at the Department of Defense (DoD) for Prostate Cancer Research.** The President announced that approximately $25 million for prostate cancer research is being awarded today and another $34 million will be announced in the next month. Over 600 grant applications were submitted for the prostate cancer research program. The DoD conducted a comprehensive two-tiered scientific review process involving prostate cancer experts, patients, and advocates to identify the most promising proposals. This new prostate cancer research program builds on the widely-acclaimed peer-review breast cancer research program at DoD. DoD will be posting the recipients of these new grants on the Internet.

- **Proposing Unprecedented Multi-year Increases in Cancer Research at the National Institutes of Health.** The President's budget includes an historic 65 percent increase in cancer research at NIH over the next five years. Since the President took office, research in prostate cancer at the NIH has increased by 100 percent to $122 million in FY1998. This year alone there are 450 research projects at the National Cancer Institute (NCI) on prostate cancer, including prevention research studying the environmental, dietary and other influences on this disease; and research to develop more effective interventions and design more effective screening techniques. There is also new genetic research in this area, as scientists recently located the first gene that predisposes men to prostate cancer. Also, prostate cancer was the first cancer studied as part of NCI's recently launched Cancer Genome Anatomy Project, which resulted in the discovery of dozens of new genes that may be associated with the development of prostate cancer. In addition, NIH spends many more dollars on the human genome project, and other biomedical research that will help expand out the base of knowledge about the diagnosis and treatment of prostate and other cancer.

- **Supporting Coverage for Cancer Clinical Trials for Medicare Beneficiaries.** The

President's budget includes a three-year, $750 million demonstration to cover Medicare beneficiaries' patient care costs associated with certain Federally-sponsored cancer clinical trials. Medicare currently does not cover cancer clinical trials. This proposal is particularly important for prostate cancer patients because: most of men with prostate cancer are Medicare beneficiaries, as fully 80 percent of those diagnosed with this disease are over age 65; the lack of participation of elderly men in trials has undermined clinical research for the treatment, prevention, and screening for this disease; and given promising new findings in research, NCI expects there may be an increase in clinical trials for prostate cancer, creating a need for even more participants.

- **Proposing $25 Million to Raise Awareness About Prostate Cancer Prevention, Treatment, and Screening for Minorities.** African-American men have an incidence rate over 30 percent higher than white men and a mortality rate over 50 percent higher for prostate cancer. The President's race and health initiative includes $25 million over the next five years at the Center for Disease Control to promote awareness about who is at risk for prostate cancer, current screening options, and the best treatment options for those who are diagnosed with this disease. This investment, in addition to clinical trials underway at the NIH, will also help determine why there is such variation in the prevalence and mortality of prostate cancer.

These Proposals Build on the President's Strong Record in the War Against Cancer Including:

- **Support for a Federally-Enforceable Patients' Bill of Rights.** The President has called on Congress to pass Federally enforceable consumer health care protections before it adjourns this fall. This patients' bill of rights contains a range of protections that are particularly important to people with cancer, including guaranteed access to needed health care specialists, continuity of care if a health provider is dropped in the middle of treatment, and access to a meaningful internal and external appeals process for consumers to resolve their differences with their health plans and health care providers. The nation's health care system has changed dramatically, with 160 million Americans now in managed care plans. This legislation will ensure that whether Americans have traditional health insurance or managed care, they are assured quality care.

- **Pushing for Legislation Preventing Health Insurers and Employers from Discriminating on the Basis of Genetic Discrimination**. Scientists recently discovered the first gene related to prostate cancer and more progress in understanding the genetic basis of this disease is expected in the near future. However, progress in genetics has the potential to be undermined by fear of genetic discrimination. One study showed that 63 percent of Americans would not take a genetic test if their health insurers or employers could get access to the results. To ensure that new advances in genetics are used to improve health rather than to discriminate against individuals, the President has called for legislation prohibiting the use of genetic screening to discriminate in health insurance and employment.

- **Enacted New Prostate Cancer Screening Benefit for Medicare Beneficiaries.** As part of the historic Medicare reforms in the Balanced Budget Act of 1997, the President signed into law a series of new preventive benefits for Medicare beneficiaries, including coverage of prostate cancer screening. Starting in 2000, Medicare will cover prostate cancer screening.

PRESIDENT CLINTON ANNOUNCES HISTORIC PROSTATE CANCER RESEARCH GRANTS AT THE DEPARTMENT OF DEFENSE AND HIGHLIGHTS THE ADMINISTRATION'S AMBITIOUS AGENDA TO FIGHT PROSTATE CANCER
June 20, 1998

Today, in his Father's Day radio address, President Clinton announced the release of nearly $60 million at the Department of Defense for prostate cancer research. These largest-ever prostate cancer grants will be awarded by DoD to promising researchers making important contributions to the diagnosis and treatment of prostate cancer. These efforts will complement exciting developments in prostate cancer research at the National Institutes of Health (NIH). This year nearly 200,000 men are expected to be diagnosed with prostate cancer, accounting for 30 percent of cancer in men, and nearly 40,000 men are projected to die from this disease (virtually the same number of women who die from breast cancer). The President also renewed his call on Congress to pass his budget proposals for historic, multi-year increases in cancer research at NIH and coverage of cancer clinical trials for Medicare beneficiaries. These proposals complement the President's strong record in the war against cancer. Highlights of the President's ambitious prostate cancer agenda include:

- **Releasing the Largest-Ever Grants at the Department of Defense (DoD) for Prostate Cancer Research.** The President announced that approximately $25 million for prostate cancer research is being awarded today and another $34 million will be announced in the next month. Over 600 grant applications were submitted for the prostate cancer research program. The DoD conducted a comprehensive two-tiered scientific review process involving prostate cancer experts, patients, and advocates to identify the most promising proposals. This new prostate cancer research program builds on the widely-acclaimed peer-review breast cancer research program at DoD. DoD will be posting the recipients of these new grants on the Internet.

- **Proposing Unprecedented Multi-year Increases in Cancer Research at the National Institutes of Health.** The President's budget includes an historic 65 percent increase in cancer research at NIH over the next five years. Since the President took office, research in prostate cancer at the NIH has increased by 100 percent to $122 million in FY1998. This year alone there are 450 research projects at the National Cancer Institute (NCI) on prostate cancer, including prevention research studying the environmental, dietary and other influences on this disease; and research to develop more effective interventions and design more effective screening techniques. There is also new genetic research in this area, as scientists recently located the first gene that predisposes men to prostate cancer. Also, prostate cancer was the first cancer studied as part of NCI's recently launched Cancer Genome Anatomy Project, which resulted in the discovery of dozens of new genes that may be associated with the development of prostate cancer. In addition, NIH spends many more dollars on the human genome project, and other biomedical research that will help expand out the base of knowledge about the diagnosis and treatment of prostate and other cancer.

- **Supporting Coverage for Cancer Clinical Trials for Medicare Beneficiaries.** The

medicines and vaccines to be stockpiled will be made on the basis of the pathogens that are most likely to be in the hands of terrorists or hostile powers.

Fourth, the revolution in biotechnology offers enormous possibilities for combating biological weapons. President Clinton's plan will set out a coordinated research and development effort to use the advances in genetic engineering and biotechnology to create the next generation of medicines, vaccines and diagnostic tools for use against these weapons.

PRESIDENT CLINTON JOINS DEMOCRATS TO UNVEIL LEGISLATION GIVING AMERICANS AGES 55 TO 65 NEW HEALTH INSURANCE OPTIONS AND RELEASES STATE-BY-STATE STUDY UNDERSCORING THE NEED FOR THIS POLICY
March 17, 1998

Today, President Clinton joined Democrats on the Hill to unveil legislation that would provide greater health insurance options for Americans ages 55 to 65. This targeted, paid-for proposal will give an estimated 300,000 to 400,000 vulnerable Americans new choices for more affordable health care coverage. Urging Congress to pass this legislation, the President also released a state-by-state analysis documenting the need for this policy. He:

RELEASED NEW STATE-BY-STATE STUDY THAT DEMONSTRATES THE DIFFICULTY AMERICANS AGES 55 TO 65 HAVE GAINING ACCESS TO HEALTH INSURANCE. The new report, prepared by the Domestic Policy Council and the National Economic Council, found that:

-- Twenty-two percent of Americans ages 55 to 65 -- a total of five million people -- are either uninsured or insured through the individual insurance market. In some states, such as North Dakota, Texas, and Nebraska, the percentage is over 30 percent.

-- Three million are uninsured. Some Americans ages 55 to 65 lose their employer-based health insurance when their spouse becomes eligible for Medicare. Many lose their coverage because they lose their jobs in company downsizings or plant closings. Still others lose insurance when their retiree health coverage is dropped unexpectedly.

-- Many are left to buy into an unaffordable individual insurance market, where premiums can be as high as $1,000 per month. Individual insurance can be prohibitively expensive, particularly for those who have pre-existing medical conditions.

-- In 38 states, individual insurance policies can be denied outright. Sixteen million Americans ages 55 to 65 -- 75 percent of this population -- live in one of the 38 states where individual insurance has no guarantee issue requirement. These individuals often have nowhere to turn for health care coverage.

-- In 21 states, there are no assurances that pre-existing conditions are adequately covered. Eight million Americans ages 55 to 65 -- 36 percent of this population -- live in states that allow individual insurers to decline to cover pre-existing conditions. This means that individuals may not be able to get coverage for the care they need most, such as diabetes or cancer treatment.

-- In 34 states, there are no protections against exorbitant premiums. Sixteen million Americans ages 55 to 65 -- 75 percent of this population -- live in states that do not protect individuals against exorbitant premiums.

ANNOUNCED THAT THE STATE-BY-STATE FINDINGS WILL BE LARGELY CONFIRMED BY A NEW KAISER FAMILY FOUNDATION STUDY TO BE RELEASED ON WEDNESDAY. A new study to be released on March 18, by the Kaiser Foundation, confirms that the individual insurance market cannot be relied upon to offer affordable insurance. It documents insurance practices that result in denial of coverage, excessive premiums, and geographic variation, especially for older and sicker people. It reports that a 60-year old, healthy man in an average cost area could pay up to $535 per month for coverage. However, if he lived in a high-cost area and had health problems, this premium could be over twice as high (250 percent of the standard premium, or over $1,000 per month) -- or he could be denied coverage altogether.

UNVEILED LEGISLATION THAT ALLOWS AMERICANS NEW CHOICES TO GAIN ACCESS TO HEALTH CARE COVERAGE. The legislation unveiled on the Hill today provides new health insurance options for Americans ages to 55 to 65. This legislation is being introduced by numerous Democrats, including both Democratic leaders (Senator Daschle and Congressman Gephardt), as well as all the ranking Democrats on the Committees of Jurisdiction: Senators Moynihan and Rockefeller (Senate Finance Committee) and Representatives Rangel, Stark (House Ways and Means Committee), Dingell, and Brown (House Commerce Committee). It:

-- Enables Americans ages 62 to 65 to buy into Medicare, by paying a premium.

-- Provides displaced workers over 55 access to Medicare by offering hose who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option. These workers often have a hard time finding new jobs: only 52 percent are reemployed, compared to over 70 percent of younger workers.

-- Allows retirees ages 55 and older whose employers dropped their health coverage with access to their former employers' health plan. This provision allows retirees whose employers dropped their health coverage after they have retired to buy into their employers' health plans through "COBRA" coverage.

CONFIRMED THIS IS A PRUDENT, TARGETED PROPOSAL THAT GIVES AMERICANS AGES 55 TO 65 NEW CHOICES WITHOUT HARMING MEDICARE. The Congressional Budget Office recently released estimates showing that the Medicare buy-in proposal is a carefully targeted policy that will not burden the Medicare Trust Fund.

- **Separate Trust Fund.** The buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, but its financing is kept completely separate from the Medicare Trust Fund.

- **Paid for by premiums and anti-fraud and overpayment savings.** this proposal, participants would pay the premium in two parts: most up front (the base premium) and a part after they turn 65years old (the risk portion of the premium reflecting the possibility that those who opt for this policy will have below-average health). Medicare would "loan" participants the second part of the premium until they reach 65, after which they would make a small additional payment on top of their regular Medicare Part B premium. This payment mechanism means that the legislation will impose only temporary costs on the Medicare program; these costs are paid for, dollar-for-dollar, by a series of anti-fraud and anti-overpayment initiatives.

PRESIDENT ENDORSES QUALITY COMMISSION'S FINAL REPORT AND ISSUES EXECUTIVE MEMORANDUM TO IMPROVE HEALTH CARE QUALITY
March 13, 1998

Today, the President accepted the final report from his Advisory Commission on Consumer Protection and Quality. The report calls for a health quality council to develop unprecedented national quality improvement goals and a privately-administered forum to develop new tools to empower consumers and businesses to purchase quality health care. The President praised the Commission's work and endorsed its new recommendations for a national effort to improve quality throughout the health care system.

Hundreds of thousands of Americans each year are injured and even die from avoidable medical errors in the health care system, and millions more receive unnecessary services or substandard care that cause needless health complications and increase health care costs. Establishing uniform standards will help ensure that health plans finally begin to compete on the basis of quality -- not just costs and benefits.

To implement these new recommendations, the President also issued an Executive Memorandum that directs five Federal agencies to establish immediately an interagency task force to ensure the Federal government takes the lead on improving health care quality. The President also asked the Vice President to hold a blue ribbon planning meeting this June, to kick off the work of the health care forum recommended by the Quality Commission.

The President created the 34-member Advisory Commission on Consumer Protection and Quality in the Health Care Industry on March 26, 1997, charging it with "recommend[ing]" such measures as may be necessary to promote and assure quality and value and protect consumers in the health care industry. In November, the Commission recommended to the President a "Consumer Bill of Rights." The President endorsed these protections and directed the Federal Government to come into compliance with this bill of rights and called on Congress to pass legislation to make these protections real for all Americans.

NUMEROUS INCONSISTENCIES AND AVOIDABLE ERRORS IN THE NATION'S HEALTH CARE SYSTEM COST LIVES AND UNDERMINE HEALTH. Too many Americans receive substandard health care, causing avoidable injuries and death, needless complications, and increased health care costs, including:

-- **Avoidable errors**: Hundreds of thousands of Americans are injured each year with tens of thousands dying as a result of avoidable errors in hospital care.

-- **Underutilization of services**: Millions of Americans do not receive necessary care and suffer needless complications that can add to health care costs. For example, far too many Americans do not get the preventive care they need.

-- **Overuse of services**: Others receive unnecessary health care that can increase costs and even endanger a patient's health. For example, 80,000 women every year undergo unnecessary hysterectomies.

-- **Wide variation in health care quality**: There is tremendous variation in health care services including wide regional disparities and different hospitalization rates for similar conditions.

ENDORSED COMMISSION'S NEW RECOMMENDATIONS TO IMPROVE QUALITY HEALTH CARE. The President endorsed the Commission's recommendations which call for:

- **Creating an Advisory Council for Health Care Quality.** This public advisory panel would establish, for the first time, national goals to improve health care quality and develop strategies to achieve them. The Council would emphasize areas such as ensuring consumers have access to clear information to make decisions about health plans and professionals, identifying strategies to reduce avoidable medical errors, reducing variation in health care services, and promoting evidence-based medicine. Such a council, which would include representatives from both the public and private sector, would make an annual report to Congress on the nation's progress in improving health care quality.

- **Creating a Health Care Forum and Asking the Vice President to Hold the First Planning Meeting This June.** The absence of uniform quality standards means that consumers do not have the necessary information to choose health plans based on quality. The forum would bring together the public and private sectors to identify a core set of measures to be adopted by health plans across the country. This would ensure that, for the first time, consumers have a consistent set of standards so they can choose health plans based on quality -- not just on cost. The President asked the Vice President to hold a blue ribbon planning meeting this June to kick off the work of the health quality forum as recommended by the Commission.

ISSUED A PRESIDENTIAL MEMORANDUM DIRECTING AGENCIES TO DEVELOP A FEDERAL TASK FORCE TO COORDINATE AND IMPROVE HEALTH QUALITY. The President directed the Departments of Health and Human Services, Labor, Veterans Affairs, Defense, and the Office of Personnel Management to establish the "Quality Interagency Coordination" (QuIC) task force. He directed this task force to ensure better collaboration and coordination across the Federal government, through initiatives such as developing consistent goals, models, and timetables; sharing information about evidence-based medical research and quality outcomes, and coordinating Federal programs' quality reporting and compliance requirements.

RENEWED HIS CALL ON CONGRESS TO PASS A PATIENTS' BILL OF RIGHTS THIS YEAR. Following his speech earlier in the week to the American Medical Association, the President urged Congress to step up its efforts to pass a Patients' Bill of Rights this year. He also asked Congress to ensure that the Patients' Bill of Rights includes the health care quality council the endorsed today. With fewer than 70 working days in this legislative session, the President urged Congress not to adjourn without passing a Patients' Bill of Rights that includes important protections for patients such as: access to the specialists they need, access to emergency room services, and an external appeals process to address grievances with their health plans.

PRESIDENT CLINTON JOINS DEMOCRATS TO UNVEIL LEGISLATION GIVING AMERICANS AGES 55 TO 65 NEW HEALTH INSURANCE OPTIONS AND RELEASES STATE-BY-STATE STUDY UNDERSCORING THE NEED FOR THIS POLICY
March 17, 1998

Today, President Clinton joined Democrats on the Hill to unveil legislation that would provide greater health insurance options for Americans ages 55 to 65. This targeted, paid-for proposal will give an estimated 300,000 to 400,000 vulnerable Americans new choices for more affordable health care coverage. Urging Congress to pass this legislation, the President also released a state-by-state analysis documenting the need for this policy. He:

RELEASED NEW STATE-BY-STATE STUDY THAT DEMONSTRATES THE DIFFICULTY AMERICANS AGES 55 TO 65 HAVE GAINING ACCESS TO HEALTH INSURANCE. The new report, prepared by the Domestic Policy Council and the National Economic Council, found that:

-- Twenty-two percent of Americans ages 55 to 65 -- a total of five million people -- are either uninsured or insured through the individual insurance market. In some states, such as North Dakota, Texas, and Nebraska, the percentage is over 30 percent.

-- Three million are uninsured. Some Americans ages 55 to 65 lose their employer-based health insurance when their spouse becomes eligible for Medicare. Many lose their coverage because they lose their jobs in company downsizings or plant closings. Still others lose insurance when their retiree health coverage is dropped unexpectedly.

-- Many are left to buy into an unaffordable individual insurance market, where premiums can be as high as $1,000 per month. Individual insurance can be prohibitively expensive, particularly for those who have pre-existing medical conditions.

-- In 38 states, individual insurance policies can be denied outright. Sixteen million Americans ages 55 to 65 -- 75 percent of this population -- live in one of the 38 states where individual insurance has no guarantee issue requirement. These individuals often have nowhere to turn for health care coverage.

-- In 21 states, there are no assurances that pre-existing conditions are adequately covered. Eight million Americans ages 55 to 65 -- 36 percent of this population -- live in states that allow individual insurers to decline to cover pre-existing conditions. This means that individuals may not be able to get coverage for the care they need most, such as diabetes or cancer treatment.

- **Includes Over $400 Million to Develop New Approaches and to Build on Existing Successes to Address Racial and Ethnic Health Disparities.**

- **Spurs New, Local, Innovative Strategies to Address Disparities.** Seriously addressing racial and ethnic disparities in health will require not only the focused application of existing knowledge and best practices, but the development of new approaches. The President's budget proposes a total of $150 million over five years for grants to up to 30 communities, chosen through a competitive grant process. These grants will be used to conduct research to devise innovative new strategies to improve minority health status. Successful approaches learned in these communities will be applied to all health programs across the Department of Health and Human Services.

- **Builds on Approaches That Have Proven Successful at Addressing Racial and Health Disparities.** The President's balanced budget proposes a new $250 million investment over five years that would strengthen public health programs that have a proven record of effectively targeting these problems. These proposals include new investments in prostate cancer screening education, diabetes outreach and education, breast and cervical cancer screening for Native Americans, heart disease awareness programs, and HIV prevention. It also includes new funding for community health centers that serve historically underserved populations to make special efforts to target them.

- **Announces a Major New Foundation/Public Sector Collaboration to Address Disparities.** Addressing these serious disparities will take a nationwide effort involving the public and private sectors. The President is announcing today that Grantmakers in Health, an association of over 136 national, regional, and local foundations with over $42 billion in assets, will team up with the Department of Health and Human Services to co-host a national conference this spring. This conference will be dedicated to help coordinate public and private research, demonstrations and evaluations on racial disparities in health.

- **Develops More Effective Ways to Target Existing Federal Programs to Address Health Disparities.** The Secretary of Health and Human Services will convene a new taskforce which will bring together the best minds at the Centers for Disease Control and Prevention, the National Institutes of Health, and other public health and science agencies, to develop a comprehensive plan in consultation with experts and minority communities. The plan will ensure, for example, that the latest scientific discoveries about SIDS are transmitted to State Medicaid and Children's Health Programs, and that research, treatment, and education programs for diabetes and heart disease are interconnected and that successful demonstrations are converted to nationwide programs.

- **Issues National Challenge to Involve Communities, Foundations, Advocacy Organizations, and Businesses to Develop Ways to Target Racial and Ethnic Health Disparities.** The President issued a challenge to employers, churches, schools, community-based clinics, nurses, and doctors to make a new commitment to address these racial and ethnic disparities in health. This includes developing new ways to target families to ensure their children are immunized and developing new strategies to make individuals feel more comfortable getting the preventive care they need.

- **Historic National Health Goals.** Using the expertise gained from all of these activities, HHS will join forces with public health groups, medical professionals, minority organizations, and the private sector to develop the first-ever, across-the-board national health goals. These new goals will be included in Healthy People 2010 -- a program that sets the nation's health goals to be accomplished by 2010.

PRESIDENT CLINTON ISSUES DIRECTIVE AIMED AT ENSURING THAT FEDERAL HEALTH PLANS COME INTO COMPLIANCE WITH THE PATIENTS' BILL OF RIGHTS
February 20, 1998

Today, the President is issuing an Executive Memorandum directing all Federal health plans, which serve over 85 million Americans, to come into substantial compliance with the President's Quality Commission's Consumer Bill of Rights (Patients' Bill of Rights). The Executive Memorandum follows a report that the Vice President forwarded to the President on the current status of compliance with the Consumer Bill of Rights. The President is also re-issuing his challenge to Congress to pass legislation that ensures that a patients' bill of rights will become the law of the land for all Americans. Today, the President is:

ANNOUNCING THAT THE NATION'S FEDERAL HEALTH PROGRAMS ARE LEADERS IN PROVIDING PATIENT PROTECTIONS. Today, the President accepted and praised the Vice President's report on the compliance status of Federal health programs with the Consumer Bill of Rights, including Medicare, Medicaid, Indian Health Service, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program. Although citing shortcomings, the report concludes that Federal health plans are already largely in compliance. This finding illustrates that implementing consumer protections to help Americans navigate through a changing health care system, can be and has been done without excessive costs or regulations.

ISSUING AN EXECUTIVE MEMORANDUM TO ENSURE THAT THESE FEDERAL AGENCIES COME INTO SUBSTANTIAL COMPLIANCE WITH THE CONSUMER BILL OF RIGHTS. While the Federal government is taking a leading role to ensure consumer protections are in place, the Vice President's report concluded it has the authority to do more. Today, the President is issuing an Executive Memorandum to ensure that Federal programs come into substantial compliance with the Consumer Bill of Rights by no later than next year. His executive action:

- **Directs HHS to Take Administrative Actions to Ensure that Medicare Comes into Compliance with Rights, Including Access to Specialists, by Next Year.** Medicare is largely in compliance with the Consumer Bill of Rights. However, Medicare currently does not ensure access to specialists and adequate levels of participation in treatment decisions. The President is directing HHS to issue administrative actions in these and other areas by no later than next year to bring Medicare, which serves over 38 million older Americans and people with disabilities, substantially into compliance.

- **Directs HHS to Take Administrative Actions to Ensure Greater Compliance for Medicaid, Including Access to Specialists, by Next Year.** HHS has also determined that there are appropriate administrative actions it could take to ensure that the Medicaid program, which serves 36 million Americans, comes into substantial compliance with all of the major elements of the Consumer Bill of Rights. The President is also directing the

Department to issue directives to bring Medicaid into substantial compliance by no later than next year.

- **Directs HHS to Notify States Immediately that Emergency Room Services Are Covered Under Medicaid.** The President is directing the Department to send a letter to State Medicaid directors to clarify that States are required to cover emergency room services consistent with the recommendations of the Consumer Bill of Rights.

- **Directs the Federal Employees Health Benefits Program (FEHBP) to Ensure 350 Participating Carriers Come into Compliance with the Consumer Bill of Rights by Next Year.** The President is directing Office of Personnel Management (OPM), which manages FEHBP and its 9 million enrollees, to notify all 350 participating carriers that they must come into compliance with the Consumer Bill of Rights, particularly with regard to access to specialists, continuity of care, and access to emergency room services. He also is directing OPM to work with each participating carrier to ensure they come into full compliance with the Consumer Bill of Rights by the end of next year. OPM issues a call letter each March which sets forth FEHB Program and policy changes. To meet the President's directive, this year's letter will specifically address new expectations for participating carriers in areas such as: access to specialists, continuity of care, disclosure of financial incentives, and access to emergency room services.

- **Directs OPM to Publish New Regulations Prohibiting Gag Clauses**. The President is directing OPM to publish a regulation in the next three months to ensure that gag clauses, which restrict physician-patient communications about medically necessary treatment options, not be a part of any provider agreement that includes FEHBP enrollees. These new actions build on OPM's existing consumer protections, including an internal and external appeals process and information disclosure rights.

- **Directs the Department of Defense (DoD) to Come into Compliance Through A Series of Policy Directives and Contractual Modifications.** The President is directing DoD, which serves 6 million Americans to: (1) establish a strong grievance and appeal process for beneficiaries who have been denied services by managed care companies that are in contract with the Military Health System; (2) issue a directive to promote greater use of providers who have specialized training in women's health issues to serve as primary care managers for female beneficiaries; and (3) issue a directive to ensure that all patients in the military health system can fully discuss all treatments options, including prohibiting anti-gag clauses. These actions, to be completed by this fall, will bring the Military Health System into substantial compliance with the Consumer Bill of Rights.

- **Directs Veterans' Health Programs to Come into Compliance with the Consumer Bill of Rights Through a Series of Policy Initiatives.** The President is directing the VA, which serves 3 million veterans, to use its administrative authority to ensure that an internal and external appeals process is in place and to issue a new directive to ensure that VA consumers meet the information disclosure recommendations in the Consumer Bill of Rights. The VA already assures many protections, such as access to specialists. This

new action will bring the VA system into virtual compliance with the Consumer Bill of Rights.

- **Directs the Department of Labor to Use Its Limited Authority to Ensure Adequate Information Disclosure and a Stronger Internal Appeals Process.** The Department of Labor is responsible for the administration and enforcement of the Employee Retirement Income Security Act (ERISA) which governs approximately 2.5 million private sector health plans that cover about 125 million Americans. Labor has extremely limited authority to ensure that these plans can come into compliance. Understanding this fact, the President is directing Labor to take action, by no later than this spring, to propose regulations to protect consumers by: (1) improving information disclosure rights; and (2) strengthening the internal appeals process for all ERISA plans, to ensure that decisions regarding urgent care are resolved within 72 hours and generally resolved within 15 days for non-urgent care.

RE-ISSUING CHALLENGE TO CONGRESS TO PASS FEDERALLY-ENFORCEABLE PATIENTS' BILL OF RIGHTS THIS YEAR. Today, the President renewed his call to Congress to pass a patients' bill of rights this year. The Department of Labor's report underscores that most consumer protections cannot be ensured to patients in private health plans without additional legislation. This legislation will ensure that the millions of Americans who are in private health plans will be protected, too.

RELEASING HHS CONSUMER SURVEY TO EMPOWER MEDICARE BENEFICIARIES TO MAKE INFORMED CHOICES. Today, the Consumer Assessment Health Plans Survey (CAHPS) is being released by HHS. This survey seeks information on how easily beneficiaries can access specialists, emergency care services, and the general level of consumer satisfaction. Survey results, which will provide extensive information about all Medicare managed care plans currently up and running, will be sent to every Medicare beneficiary this fall, helping them to make much-better informed choices about their health plan options.

PRESIDENT CLINTON ANNOUNCES A SERIES OF NEW EFFORTS TO ENROLL UNINSURED CHILDREN IN HEALTH INSURANCE PROGRAMS
February 18, 1998

Today at the Children's National Medical Center, the President, joined by First Lady Hillary Rodham Clinton, announced new efforts designed to enroll the millions of uninsured children who are eligible for but not currently enrolled in Medicaid and other state-based children's health program. These include: (1) the first major state expansions under the recently enacted Children's Health Insurance Program (CHIP) and released findings that indicate that many States will soon follow; (2) a Presidential Directive to Federal Agencies; (3) FY1999 budget proposals that provide funding for children's health policy outreach including Medicaid enrollment incentives to States; and (4) an unprecedented set of public/private initiatives designed in partnership with Governors, health care providers, children's health advocates, foundations, businesses and many others who are committed to providing coverage for the nation's uninsured children.

Program participants include: Edwin K. Zechman, Jr., President and CEO of Children's National Medical Center; Linda Haverson, parent whose son was recently enrolled in Medicaid because of a local outreach effort; HHS Secretary Donna Shalala; First Lady Hillary Rodham Clinton; and President Clinton.

Of the more than 10 million children in America who are uninsured, over 3 million are already eligible for Medicaid. However, many families are not aware that their children are eligible for Medicaid, and others have difficultly filling out the application. Similar problems could undermine the new Children's Health Insurance Program's goal to enroll millions of uninsured children. It is with these challenges in mind, that the President today:

ANNOUNCED THAT COLORADO AND SOUTH CAROLINA HAVE JOINED ALABAMA AS THE FIRST COVERAGE EXPANSIONS UNDER THE NEW CHIP PROGRAM. Last year's Balanced Budget Agreement included a major new program to provide health insurance to the nation's children. Today, the President announced that Colorado and South Carolina join Alabama as the first states to come into the children's health program. In late January, Alabama received approval to expand its Medicaid program to children ages 14 to 18 up to 100 percent of poverty. South Carolina will expand its Medicaid program to provide coverage to all children up to 150 percent of poverty. And, Colorado builds upon its current non-Medicaid program to cover all children up to 185 percent of poverty. The President also announced that many more States are well on their way to expanding coverage to more uninsured children. In addition to the three announced today, 14 more states have submitted plans to HHS for approval, and nearly 30 States have active working groups or task forces designing plans to address the needs of uninsured children.

ISSUED A NEW PRESIDENTIAL DIRECTIVE TO LAUNCH A GOVERNMENT-WIDE EFFORT TO ENROLL UNINSURED CHILDREN. In an executive memorandum to eight Federal agencies with jurisdiction over children's programs -- the Departments of Agriculture,

Interior, Education, HHS, HUD, Labor, and Treasury, and the Social Security Administration -- the President directed the establishment of a multi-agency effort to enroll uninsured children. These agencies run programs such as WIC, Food Stamps, Head Start, and public housing that cover many of the same children who are uninsured and eligible for Medicaid or other health insurance. The memorandum instructs these agencies: (1) to identify all their employees and grantees who might come into contact with these children and ensure that these individuals are aware of the health insurance programs available to children; (2) to develop an intensive children's outreach initiative, such as distributing information, coordinating toll-free numbers, and simplifying and coordinating application forms; and (3) to report back in 90 days on their plan to help enroll uninsured children.

HIGHLIGHTED BUDGET PROPOSALS THAT PROVIDE MEDICAID ENROLLMENT INCENTIVES TO STATES. The President's FY 1999 budget invests $900 million over five years in children's health outreach policies, including the use of schools and child care centers to enroll children in Medicaid. The budget provides States with the option of automatically enrolling children in Medicaid even before having received all of the complicated eligibility and enrollment forms (a provision known as presumptive eligibility). It also expands the use of a Federally-financed administrative fund so that it can underwrite the costs for all uninsured children * not just the limited population allowed under current law.

ANNOUNCED A HISTORIC PRIVATE SECTOR COMMITMENT TO PROVIDE OUTREACH. To complement the public outreach effort, the President announced unprecedented new contributions from the private sector to help ensure that all children who are eligible for health insurance receive it, including:

- **A new toll-free number that directs families around the nation to their state enrollment centers.** The President announced that Bell Atlantic will establish and operate a toll-free number to help states enroll uninsured children. The number, which will be put in place during the upcoming months, will be used by the nation's Governors to help millions of families around the nation by directing them automatically to their local state Medicaid enrollment agency.

- **Over $23 million in commitments from private foundations across the country**. The Robert Wood Johnson Foundation will spend $13 million over the next three years to fund innovative state-local coalitions to design and conduct outreach initiatives, simplify enrollment processes, and coordinate existing coverage programs. The Kaiser Family Foundation will spend up to $10 million over the next five years on studies to help understand why eligible children do not enroll in existing programs and how best to provide insurance coverage for these children. America's Promise, with support from the Robert Wood Johnson Foundation and the American Academy of Pediatrics, will mobilize corporations such as SmithKline Beecham and Schering Plough and local communities nationwide in children's health outreach efforts.

- **New initiatives from corporate and advocacy organizations to reach out to uninsured children.** Pampers has volunteered to include a letter in its child birth

education packages, given to 90 percent of first-time mothers, giving families information about available health insurance options. Chain drug stores across the country will provide information about the new Bell Atlantic toll-free number to their customers. The National Education Association is launching an unprecedented effort to educate teachers on how they can inform children and their families about health insurance, through national newsletters, conferences, and special training sessions. The American Hospital Association's Campaign for Coverage will increase its nationwide initiative to engage hospitals in helping uninsured Americans, including children.

ISSUED A CHALLENGE ACROSS AMERICA TO FIND NEW WAYS TO REACH OUT TO UNINSURED CHILDREN. The President challenged every physician, nurse, health care provider, business, school, parent, grandparent, and community across the nation, to find new ways to ensure that uninsured children eligible for health insurance are enrolled in Medicaid or CHIP. This national commitment should not stop until every eligible child across the country is enrolled in one of the existing health care programs.

PRESIDENT CLINTON UNVEILS TEN LEGISLATIVE PROPOSALS AS PART OF HIS ONGOING ANTI-FRAUD, WASTE, AND ABUSE COMMITMENT:

(1) Eliminating Wasteful Excessive Medicare Reimbursement for Drugs. A recent report by the HHS Inspector General found that Medicare currently pays hundreds of millions of dollars more for 22 of the most common and costly drugs than would be paid if market prices were used. For more than one-third of these drugs, Medicare paid more than double the actual average wholesale prices, and in one case paid as high as ten times the amount. This proposal would ensure that Medicare payments are reduced to the actual amount that the drugs cost.

(2) Eliminating Overpayments for Epogen. In a 1997 report, the HHS Office of Inspector General (OIG) found that reducing the Medicare reimbursement for Epogen (a drug used for kidney dialysis patients) to reflect current market prices would result in more than $100 million in savings to the Medicare program and beneficiaries.

(3) Doubling the Number of Audits to Ensure That Medicare Only Reimburses for Appropriate Provider Costs. Right now, not all cost-based providers (e.g., hospitals, home health, non-PPS, skilled nursing facilities) are audited. This proposal would assess a fee to cover all audits and cost settlement activities for health care providers. These steps help ensure that Medicare only makes payments for appropriate provider costs.

(4) Lowering Medicare's Payments for Equipment Through a Nationwide Competitive Pricing Program. Competitive Pricing would let Medicare do what most private and other government health care purchasers do to control cost -- lower costs by injecting competition into the pricing for equipment and non-physician services.

(5) Eliminating Abuse of Medicare's Outpatient Mental Health Benefits. The HHS Inspector General has found abuses in Medicare's outpatient mental health benefit -- in particular, Medicare is sometimes billed for services in inpatient hospitals or homes. This proposal would

eliminate this abuse by requiring that these services are only provided in the appropriate treatment setting.

(6) Creating Civil Monetary Penalties for False Certification of the Need for Care. Recent HHS Inspector General reports identified providers who inappropriately certified that beneficiaries needed out-patient mental health benefits and hospice services. This proposal would impose penalties on physicians who falsely certify their patients' need for these two benefits.

(7) Preventing Providers From Taking Advantage of Medicare by Declaring Bankruptcy. Providers who have defrauded and abused Medicare often file for bankruptcy in order to avoid paying fines or returning overpayments, leaving Medicare strapped with the bills. This proposal would give Medicare priority over others when a provider files bankruptcy.

(8) Taking Action to End Illegal Provider Kickback Schemes. A serious area of fraud is kickback schemes, where health care providers unnecessarily send patients for tests or to facilities where the provider is financially rewarded. While we have established criminal penalties for these schemes, additional tools are needed to stamp out this practice: specifically, allowing prosecutors to get a court order to put an immediate halt to such schemes, and to allow civil as well as criminal remedies.

(9) Ensuring Medicare Does Not Pay for Claims Owed by Private Insurers. Too often, Medicare pays claims that are owed by private insurers because Medicare has no way of knowing the private insurer is the primary payer. These proposals would take steps to address these problems including: requiring insurers to report any Medicare beneficiaries they cover; allowing Medicare to recoup double the amount owed by insurers who purposely let Medicare pay claims the group plan should have made; and imposing fines for not reporting no-fault or liability settlements for which Medicare should have been reimbursed.

(10) Enabling Medicare to Capitate Payments for Certain Routine Surgical Procedures Through a Competitive Pricing Process With Providers. This will expand HCFA's current Centers of Excellence demonstration enabling Medicare to receive volume discounts on these surgical procedures and, in return, enabling hospitals to increase their market share and gain clinical expertise.

PRESIDENT CLINTON ANNOUNCES UNPRECEDENTED PROGRESS IN FIGHTING MEDICARE FRAUD AND ABUSE
January 26, 1998

Today, President Clinton announced the first annual progress report by the Departments of Justice and Health and Human Services on the nation's successful efforts in cracking down on Medicare fraud and abuse. He also unveiled a series of new legislative and executive actions to build on the Administration's impressive record in this area, specifically, he announced:

- That Nearly $1 Billion Has Been Returned to the Medicare Trust Fund in Just One Year
- A 10-Step Anti-Fraud and Abuse Legislative Package That Saves Medicare at Least $2 Billion
- Unprecedented Steps to Involve Medicare Beneficiaries in Identifying and Combating Fraud and Abuse
- Nationwide On-Site Inspections to Target Medical Supplier Rip-Off Artists
- A Nationwide Conference, With Law Enforcement Officials and Others, Designed to Identify the Next Steps to Fight Fraud and Waste

THE PRESIDENT ANNOUNCED:

A Justice/HHS Report Which Cites Nearly $1 Billion in One Year in Savings For the Medicare Trust Fund. On Monday, the President is sending to Congress the first annual report of the Health Care Fraud and Abuse Control Program -- created by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) -- which shows remarkable progress in rooting out health care fraud and abuse. In FY1997 alone, the first full year of anti-fraud and abuse funding under HIPAA, nearly $1 billion was returned to the Medicare Trust Fund, the largest amount ever. These efforts:

Returned nearly $1 billion to the Medicare Trust Fund from collections of criminal fines, civil judgements and settlements, and administrative actions. This was the largest recovery amount ever collected in one year. Excluded more than 2,700 individuals and entities from doing business with Medicare, Medicaid, and other federal and state health care programs for engaging in fraud or other professional misconduct -- a near doubling (a 93 percent increase) over 1996. Increased convictions for health care fraud-related crimes by nearly 20 percent. Pursued 4,010 civil health care fraud cases -- an increase of 61 percent over 1996.

A New 10-Step Anti-Fraud and Abuse Legislative Package That Saves Medicare At Least $2 Billion Over Five Years, including the following:

Eliminating overpayments for certain drugs, for which the Inspector General has reported Medicare currently overpays. Ensuring Medicare does not pay for claims that ought to be paid by private insurers, such as taking steps to ensure that Medicare is aware of liability settlements and of other coverage obligations of private insurers. Asking providers to pay for their audits, which will allow Medicare to double the number of audits. Ensuring that providers do not leave Medicare strapped by declaring bankruptcy.

Unprecedented Steps to Involve Medicare Beneficiaries in Identifying and Combating Fraud and Abuse. The President is announcing steps to involve Medicare beneficiaries in rooting out fraud and abuse, such as:

Providing beneficiaries with new information on how to report fraud. Starting next month, Medicare beneficiaries across the nation will receive a toll-free number to call to report fraud and abuse in Medicare on every statement, bill, and claim, making it easier to crack down on fraud and abuse; and Rewarding beneficiaries for fighting fraud. Provisions in the Kassebaum-Kennedy legislation will be implemented this spring that give beneficiaries rewards for reporting fraud.

On-Site Inspections Across the Country to Eliminate Rip-Off Artists and Scam Medical Equipment Suppliers. To ensure that medical equipment suppliers are providing the medical devices they claim, the Department of Health and Human Services is conducting nationwide on-site inspections of medical suppliers.

A National Conference to Bring Together Law Enforcement, Providers, Beneficiaries, and Others to Identify the Next Steps to Fight Fraud and Waste. While the Administration has a long record of fighting fraud and abuse, we must do more. Today, the President is announcing that this spring, the Health Care Financing Administration will hold a conference including consumers and their representatives, law enforcement officials, private insurers, health care providers, and beneficiaries, to build on the successes we have achieved in fighting fraud and abuse in the nation's health care system.