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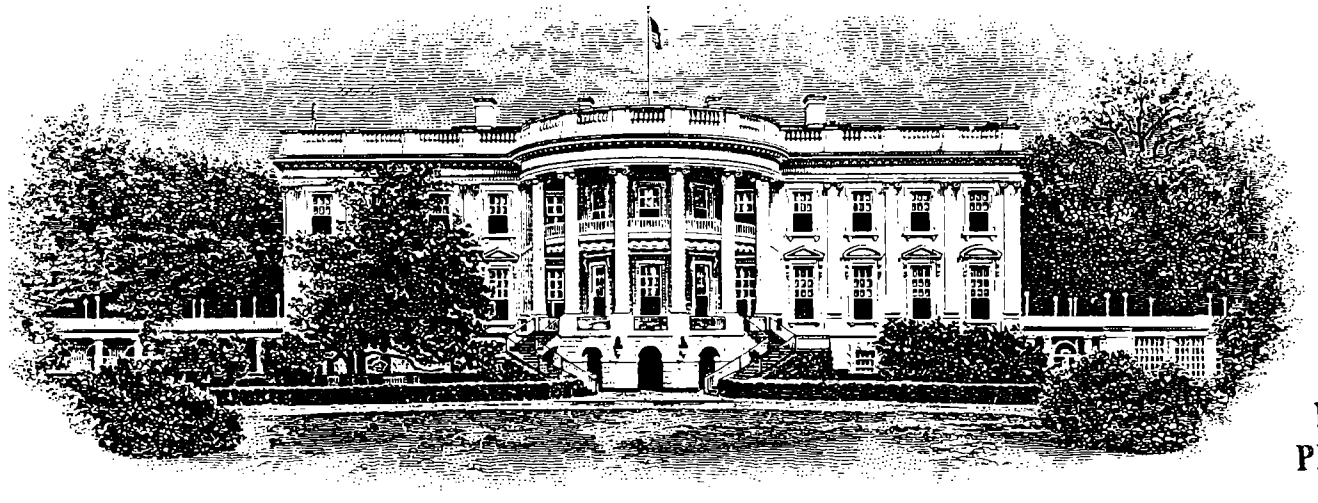

February 17, 1999

HEALTH CARE ROUNDTABLE WITH NEW HAMPSHIRE RESIDENTS

DATE:	February 18, 1999
LOCATION:	Dover Municipal Building
TIME:	11:15am - 12:05pm
FROM:	Bruce Reed

I. PURPOSE

You will discuss with a group of New Hampshire residents the variety of health care challenges currently facing the nation and highlight the initiatives in your FY 2000 budget that address these challenges. You will highlight the long-term care tax credit and contrast targeted tax credits of this kind to the Republicans' proposal for an indiscriminate, across-the-board tax cut.

II. BACKGROUND

You will highlight initiatives in your FY 2000 budget that increase access to health care and improve its quality:

- **Addressing growing long-term care needs.** Your budget includes a historic new initiative to support elderly and disabled Americans with long-term care needs or the family members who care for them. This initiative invests over $6 billion over five years in long-term care, including a $1,000 tax credit to compensate for the cost of long-term care services; a new $625 million National Family Caregiver Program, which will help states provide direct services and support for those caring for elderly family members with long-term care needs; a new proposal to allow states to provide home- and community-based care to people whose income level now qualifies them for nursing-home care under Medicaid; and a national campaign to educate Medicare beneficiaries about long-term care options. You also will praise New Hampshire's efforts to expand community-based care services for Medicaid enrollees and to provide critical information to elderly and chronically ill adults about their long-term care options.

- **Improving economic opportunities for Americans with disabilities.** More than 70 percent of Americans with disabilities are unemployed, often because they face

significant barriers to work, such as the risk of losing health care. You have proposed a series of bold new initiatives to enable people with disabilities to return to work. This five-year, $3.2 billion initiative includes full funding for the Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act which will enable many workers with disabilities to buy into Medicaid and Medicare; a $1,000 tax credit to help offset the cost of the services and supports that people with disabilities may need to get and keep a job; and a new regulation to increase the amount that people with disabilities can earn and still maintain Social Security benefits. New Hampshire currently provides community-based services through Medicaid to individuals with disabilities, and in recognition of the State's innovation in this area, the Vice President recently gave the State a grant to help remove barriers to employment for people with disabilities.

- **Helping small businesses provide health care coverage for their employees.** Your budget includes a $44 million investment in targeted tax credits to increase health care coverage by encouraging small businesses to participate in voluntary purchasing coalitions that provide a variety of health care choices at relatively low cost. This initiative provides a new 10 percent tax credit for small businesses that decide to offer coverage by joining coalitions; encourage private foundations to support coalitions by making their contributions towards these organizations tax-exempt; and offers technical assistance to small business coalitions from the Administrators of the Federal Employees Health Benefit Plan. Governor Shaheen has proposed legislation that creates voluntary small-business purchasing alliances to reduce costs and increase options for small businesses offering health insurance to their employees. She believes that the Administration's proposal will provide needed financing for this effort.

- **Implementing the Children's Health Insurance Program, the largest investment in children's health in a generation.** Your Administration is committed to implementing the Children's Health Insurance Program (CHIP) and has developed a national outreach campaign to sign up every child eligible for Medicaid or CHIP coverage. New Hampshire, under Governor Shaheen's leadership, is one of 46 states that already have implemented the CHIP program: the State's program -- Healthy Kids -- provides health insurance to thousands of uninsured New Hampshire children.

- **Protecting patients with a strong, enforceable patients bill of rights.** You again will call on Congress to pass a strong, federally enforceable patients' bill of rights that includes: guaranteed access to needed specialists; access to emergency room services when and where the need arises; and access to a meaningful external appeals process to resolve disputes with health plans. You are already doing everything you can to implement these protections by extending them to the 85 million Americans covered by federal health plans. Governor Shaheen has proposed an HMO Accountability Act to provide similar patient protections.

III. PARTICIPANTS

Governor Jeanne Shaheen
Beth Dixon, Concord, NH
David Robar, New London, NH
Karen Goddard, Nashua, NH
Christine Monteiro, Nottingham, NH
Stephen Gorin, Canterbury, NH

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- You will be announced into the auditorium accompanied by Governor Jeanne Shaheen.
- Gov. Shaheen will make welcoming remarks and introduce you.
- You will make remarks.
- Gov. Shaheen will introduce the roundtable participants and begin the discussion.
- Gov. Shaheen will make concluding remarks.
- You will work a ropeline and depart.

VI. REMARKS

To Be Provided by Speechwriting.

THE PRESIDENT'S HISTORIC LONG-TERM CARE INITIATIVE
February 18, 1999

The President has proposed an historic, seven-part initiative designed to address the broad-based and varied long-term care needs of Americans of all ages. It would not only improve nursing home quality, options for community-based services, and the purchase of long-term care insurance, but would, for the first time, support families who care for their ill relatives. These millions of spouses, children, other relatives and friends are the major providers of long-term care in the U.S. This initiative recognizes this by providing a $1,000 tax credit for people with long-term care needs or their families to offset the costs of care and a new Family Caregivers Program that offers respite services, information, and other assistance as needed. Altogether, this $6 billion initiative lays the groundwork for long-term care policy for the twenty-first century.

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 Clinton Administration's historic long-term care initiative includes:

- **Supporting families with long-term care needs through a $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 a new 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 patients can delay institutionalization for up to a year. This new nationwide program 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.

- **Expanding Medicaid eligibility for people in home- and community-based care settings.** Historically, Medicaid policy and practice has inadvertently discriminated against people with long-term care needs who want to live in the community by making it much easier to expand coverage to nursing homes than community-based services. To eliminate this "institutional bias," this 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, without requiring a complicated and frequently time-consuming Federal waiver. This proposal contributes towards this initiative's goal of giving people with long-term care needs the choice of remaining in their homes and communities. It costs $110 million over five years.

- **Encouraging partnerships between public housing for the elderly and Medicaid.** This proposal would provide $100 million in competitive grant funds to qualified elderly housing facilities (Section 202 facilities) to convert to assisted living facilities, so long as those facilities provide Medicaid home and community-based services. As people living these housing facilities age, their need for long-term care services rises, often leaving them with no choice but to move to a nursing home. This proposal would allow such people to "age in place" by funding the conversion of their homes into assisted living facilities. Only sites that agree to bring Medicaid home and community-based services into their converted assisted living facilities would qualify for grants, to ensure that low-income elderly have access to this option.

- **Nursing home quality initiative.** This proposal will provide $110 million to strengthen Federal oversight of nursing home quality and safety standards by working with States to improve their nursing home inspection systems, crack down on nursing homes that repeatedly violate safety rules, establish a national registry of abusive nursing home workers, and publish nursing home quality ratings on the internet.

- **Having the Federal government serve as a model employer by offering quality private long-term care insurance to Federal employees.** A new proposal would allow the Office of Personnel Management (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, which costs $15 million over five years, will provide employers a nationwide model for offering quality long-term care insurance. OPM anticipates that approximately 300,000 Federal employees would participate in this program.

- **Launching a national long-term care education campaign**. 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.

THE CLINTON ADMINISTRATION'S BOLD NEW INITIATIVE TO IMPROVE ECONOMIC OPPORTUNITIES FOR AMERICANS WITH DISABILITIES
February 18, 1999

The President has proposed an historic new initiative that will remove significant barriers to work for people with disabilities. This four-part initiative, which invests over $3 billion over five years, includes: (1) full funding of the Work Incentives Improvement Act which was recently introduced by Senators Jeffords, Kennedy, Roth and Moynihan; (2) a new $1,000 tax credit to help with work-related costs for people with disabilities; (3) doubling the funding for assistive technologies; and (4) increasing the amount that people can earn while on disability in order to ease the transition to work. People with disabilities will also benefit from the President's $6 billion long-term care initiative that complements the health insurance and work incentive proposals. Together, this is the most important effort to improve opportunities for people with disabilities since the Americans with Disabilities Act was passed.

CRITICAL NEED TO REMOVE BARRIERS TO WORK

Since President Clinton and Vice President Gore took office, the American economy has added 17.8 million new jobs. Unemployment is at a 41-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, Medicare, or disability insurance 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, working itself is usually more expensive for people with disabilities who need personal assistance getting to and from work; special transportation, or technology that is not paid for by their employers.

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. The President included in his FY 2000 budget the 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 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 Improvement 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.

- **Increasing the amount that people can earn while on disability to ease the transition to**

work. A new proposed regulation increases the substantial gainful activity (SGA) level from $500 to 700 per month. Under current rules, people lose eligibility for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) benefits if they can engage in any substantial gainful activity (SGA) that exceeds $500 per month. Many hesitate to work because they cannot afford to give up critical benefits. Increasing the SGA level would enable the 400,000 beneficiaries who now work to work more, easing their transition to work. This initiative costs $1.2 billion over five years.

TASK FORCE ON EMPLOYMENT OF ADULTS WITH DISABILITIES. Last March, President Clinton signed the executive order establishing the Presidential Task Force on Employment of Adults with Disabilities. Led by Alexis Herman, Secretary of Labor, and Tony Coelho, this Task Force is charged with coordinating an aggressive national policy to bring adults with disabilities into gainful employment. It produced a set of interim recommendations in December, 1998, summarized below along with the Administration's actions to address them:

RECOMMENDATION	ACTION
1. Work to pass the Work Incentive Improvement Act	President includes in budget
2. Work to pass the Patients' Bill of Rights	High Presidential priority
3. Examine tax options to assist with expenses of work	President includes in budget
4. Foster interdisciplinary consortia for employment services	President includes in budget
5. Accelerate development/adoption of assistive technology	President includes in budget
6. Direct Small Business Administration to start outreach	Vice President announced 12/98
7. Remove Federal hiring barriers for people w/ mental illness	Mrs. Gore announced 1/99
8. Develop a model plan for Federal hiring of people w/ disabilities	Vice President announced 12/98

PRESIDENT CLINTON'S INITIATIVE ENCOURAGING SMALL BUSINESSES TO OFFER HEALTH INSURANCE

February 18, 1999

This initiative would encourage small businesses to offer health insurance to their workers by developing and/or joining coalitions for purchasing health insurance. Fewer small businesses offer health insurance because of their higher administrative costs and premiums relative to large businesses. As a result, nearly half of uninsured workers are in firms with fewer than 25 employees. This three-part initiative would: (1) provide a tax credit to small businesses who decide to offer coverage by joining coalitions; (2) encourage private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; and (3) offer technical assistance to small business coalitions from the Office of Personnel Management, which runs the Federal Employees Health Benefits Program (FEHBP). This initiative would cost about $44 million over 5 years, and provide thousands of workers and their families the option of affordable health insurance.

INSURANCE AND SMALL BUSINESSES

- **Most of the uninsured work in small businesses.** Workers in small firms are less likely to have access to affordable, job-based health insurance. Although worker in firms with fewer than 25 employees make up about 30 percent of the workforce, they comprise nearly half of the uninsured. Only one-third of firms with fewer than 10 employees and two-thirds of firms with 10 to 24 employees offer coverage, compared to over 95 percent of large firms.

- **Higher premiums and administrative costs.** Small employers state that high premiums and the uncertainty in premium costs are major reasons why they do not offer health insurance. Premiums for the same benefits are higher for small firms than large firms because there are fewer people who can share in the risk of illness and because administrative costs per employee are higher. Insurers' administrative expenses ranged from approximately 5 percent of premiums for the largest employer plans to 30 percent or more of premiums for the smallest employers. As a result of this and other factors, small firms typically offer less generous benefits -- or do not offer coverage at all.

SMALL BUSINESS HEALTH PURCHASING COALITIONS

This initiative would encourage the development of and participation in small business health purchasing coalitions. Coalitions pool employees across firms to gain market power; negotiate with insurers over benefits and premiums; provide comparative information about available health plans; and administer premium payments made by small employers and their participating employees. Despite these advantages, there are few small business health purchasing coalitions today. This in part reflects the lack of up-front funding to develop coalitions (e.g., hiring staff, developing a negotiating strategy, marketing to small businesses). Additionally, coalitions that cannot quickly attract a large enough number of small firms to join them could find themselves without the bargaining power that they need to reduce costs and offer choice.

POLICIES TO ENCOURAGE COALITIONS

- **Tax credit for employers who join coalitions**: A tax credit equal to ten percent of employer contributions to employee health plans, up to $200 for a single policy and $500 for a family policy, would be given to qualifying employers. A qualifying small business would have between 3 and 50 employees and purchase coverage through a qualified coalition. To target the credit to employers who would not otherwise offer coverage, eligible employers could not have had an employee health plan during any part of 1997 or 1998. Employers would need to cover seventy percent of those workers who have wages (including deferred wages) in excess of $10,000 and who are not covered elsewhere by a health plan (typical in the group market). This credit is temporary (up to two years) since the goal is to encourage the one-time action of joining the coalition. The credit would be available for employers taking this option before December 31, 2003.

  A qualified coalition is a certified, non-profit organization that negotiates with health insurers to provide health insurance to the employees of its small business members. Its members would include all interested employers with 50 or fewer employees in its area, without regard to the health status or occupation of their employees. It could collect and distribute health insurance premiums but would not be an insurer (bear risk) itself. Its board would include both employer and employee representatives of small businesses, but could not include service providers, health insurers, insurance agents or brokers, and others who might have a conflict of interest. Where feasible, the coalition would offer several health plan choices and at least one open enrollment period per year. These plans would follow state requirements and their premiums could not be rated according to the occupation or existing health status.

- **Financial assistance in creating coalitions.** Currently, funding the start-up expenses of small business health purchasing coalitions would not qualify as a "charitable purpose" Consequently, private foundations are reluctant or, in some cases, prohibited by their own rules from offering grants for this purpose. Under this proposal, any grant or loan made by a private foundation to a qualified small business health purchasing coalition would be treated as a grant (or loan) made for charitable purposes. This special rule would apply only to grants (or loans) made to qualified coalitions for the purpose of funding qualified coalition start-up expenses made during the first two years of their operations. The special foundation rule would apply to grants and loans made prior to December 31, 2003 for start-up expenses incurred prior to December 31, 2005.

- **Technical assistance in creating coalitions.** The Office of Personnel Management (OPM) runs the Federal Employees Health Benefits Program (FEHBP). This program serves as a model for consumer choice of health plans. OPM has considerable experience in working with private plans in coordinating a bidding process, negotiating benefits and premiums, and distributing consumer information. To help small business health purchasing coalitions do the same, it would provided any needed technical assistance to qualified coalitions, sharing its administrative experience.

OVERVIEW OF NEW HAMPSHIRE'S HEALTH CARE PROGRAMS

SMALL GROUP AND INDIVIDUAL MARKET REFORMS

- In 1994, State Senator Shaheen led efforts to reform the individual and small group health insurance market. The reforms have been used as a model for other states. Unlike many other states, New Hampshire extended the full range of market reforms to the individual market. Components of the reform package include a modified community rating, guaranteed issue on all products, portability and renewability, a prohibition on medical underwriting, and a nine month limitation on exclusions for pre-existing conditions.

- In 1998, the State implemented a risk adjustment and subsidy mechanism to stabilize and improve the individual insurance market. This mechanism is funded by an assessment on all health carriers in all markets.

MANAGED CARE REFORMS

- In 1997, new protections were enacted into law requiring that HMOs provide access to a sufficient number of physicians so that consumers don't have to drive too far or wait too long to see a doctor; requiring that the medical providers in their networks be appropriately trained and qualified; requiring HMOs to provide an internal grievance procedure for disputes with consumers; and requiring HMOs to have a quality assessment and improvement program. This year, additional protections were enacted into law, including direct access to ob-gyn providers and a requirement that HMOs disclose in writing the rationale for a decision to deny care and provide the credentials of the HMO's medical director responsible for the decision.

- This past week, Governor Shaheen announced the HMO Accountability Act, a new initiative to offer consumers enrolled in managed care plans greater protections. Major provisions of the legislation include an external grievance procedure; increased disclosure of critical information including who within a health plan made the decision to deny care, their professional credentials and board status; a ban on financial incentives designed to limit medically necessary care; provisions to ensure accountability of medical directors; and protections for providers who advocate for patients.

CHILDREN'S HEALTH INSURANCE

- In May of 1998, the State began implementation of its CHIP program, which increases Medicaid eligibility for infants aged 0-1 up to 300% of the FLP and creates a separate State program (Healthy Kids) for children (aged 0-19) in families up to 300% of the poverty level. Parents pay a sliding scale premium. As part of New Hampshire's new outreach efforts, the State has changed the name of the Medicaid program to Healthy Kids Gold in order to reduce the potential for welfare stigma; designed a combined enrollment form for both programs; eliminated the requirement for a face to face interview, and has initiated a community outreach program to identify and enroll eligible children.

DISABILITY

- New Hampshire has long been a leader in the area of community based services and supports for persons with disabilities and their families. It pioneered the first statewide family support program for children and adults with developmental disabilities which is now being extended to new populations, i.e. those with chronic illness, mental illness and traumatic brain injury.

- In 1998, the Social Security Adminsitration awarded the state with a grant to help remove barriers to employment for people with disabilities. The grant will support the state to conduct comprehensive statewide planning and policy development, and two local pilot initiatives – in Manchester and Keene.

PURCHASING COALTIONS

- In 1996, the state helped to create The New Hampshire Healthcare Purchasers Roundtable. This public private partnership includes large purchasers of health coverage and represents approximately 300,000 insured lives. The roundtable works on quality improvement and the group has issued several report cards. The Roundtable also provides assistance to purchasers with contracting issues. Currently, the Roundtable is conducting a rate analysis project on increasing health insurance rates.

- Over this past year, Governor Shaheen has worked to establish a Health Insurance Purchasing Alliance for small employers. Her legislative proposal was not adopted by the legislature in the last session. The legislature instead decided to study the issue and have since recommended passage of the proposal. The goal of the purchasing alliance to enable small employers to offer choice of coverage, increase bargaining clout and encourage competition based on quality.

LONG-TERM CARE INITIATIVE
QS AND AS, January 4, 1998

Q. How is this tax policy different than the $500 credit in the Republican Contract with America?

This proposal is quite different -- and we think much better. First, it would give twice as much assistance ($1,000 credit). Second, many more people would be eligible under this proposal. It would go to people who have long-term care needs or their spouses, not just to relatives who qualify as caregivers. It also would broaden significantly the definition of a "caregiver" by eliminating the "support test," which essentially excludes people with Social Security income. Our proposal also targets the dollars on middle-class families by phasing out the credit at higher income levels. Finally, it is part of a larger, well-rounded initiative that would help caregivers both financially and through real services in the new Family Caregiver Program.

We are glad, however, that Republicans have supported a similar concept, and seem to want to take credit for this proposal. It makes us optimistic that Republicans and Democrats in Congress can work together to pass this initiative and provide meaningful support for family caregivers.

Q. Didn't the President veto a family caregivers' tax credit in 1995?

A. The President vetoed the 1995 Republican budget, which included massive cuts to Medicare, Medicaid, education, and environmental spending. Someplace within that budget was a long-term care tax deduction that was poorly targeted and disproportionately benefited upper income families. For obvious reasons, the President was not willing to sign the whole 1995 Republican budget to gain this poorly constructed long-term care tax proposal.

Background: There were actually two different proposals offered by Republicans in 1995: a **$500 tax credit** that was introduced in early 1995 as a refundable credit for taxpayers housing certain family members (parent, grandparent) needing "custodial care" (2 + ADLs or similar level of disability due to cognitive impairment); and a **tax deduction** of $1,000 for taxpayers housing certain family members (parent, spouse or former spouse) who are "physically or mentally incapable of caring for himself." The latter was in the Balanced Budget Act of 1995 that was vetoed by the President.

Q. Why isn't the tax credit refundable? Doesn't this mean that low-income people are not helped by this initiative?

A. No. Eligibility for the tax credit was carefully designed so it reaches virtually all taxpayers with significant long-term care needs. In addition, many individuals who do not pay taxes will be able to gain some benefit from this credit because their caregiver files tax returns. Finally, other aspects of the initiative announced today will benefit all people with long-term care needs, regardless of tax status. The new Family Caregiver Program targets assistance to low-income families who provide long-term care to their elderly relatives, and the Medicare long-term care information campaign will help all beneficiaries regardless of income.

Q. Why isn't there a greater emphasis placed on private long-term care insurance in your initiative?

A. The Federal employees' insurance initiative and the Medicare education campaign are both designed to give people information and encourage them to purchase high-quality long-term care insurance. However, even according to optimistic industry projections, if every baby boomer who could afford private insurance purchased it, less than one-third of long-term care costs would be paid for by private insurance in 2030. This initiative explicitly recognizes that long-term care will continue to be funded and provided through multiple sources and thus addresses it through a multi-faceted response.

Q. By focusing on family caregivers, are you implying that you are not interested in expanding Medicare and Medicaid long-term care coverage?

A. The President has a strong track record of encouraging innovative long-term care services through Medicaid. Today, 20 percent of Medicaid long-term care spending is devoted to home and community-based long-term care services -- double the percent in 1987. The President has encouraged the shift away from Medicaid's "institutional bias" by approving over 300 waivers for local home and community-based care programs and proposing to repeal the need for such waivers.

Medicare was not designed to cover long-term care, as the Bipartisan Commission on the Future of Medicare has noted. The President looks forward to the recommendations of this Commission on long-term care and other benefits. But given the financing crisis facing Medicare, it seems unlikely that the Commission will vote for a significant expansion of Medicare coverage in this area.

While Medicare and Medicaid cannot be relied on to finance all long-term care, the President will continue to support creative targeted policies, both administrative and legislative, that cost-effectively and appropriately provide for effective long-term care services.

Q. Isn't this a drop in the bucket relative to the size of the long-term care problem?

A. Any initiative that spends $6.2 billion over 5 years has to be considered a significant proposal. It would make a major contribution toward helping over 2 million Americans afford and obtain much-needed long-term care services. No one in this Administration has or will suggest that this initiative on its own will address all of the problems. But it recognizes and provides meaningful support for the caregiving provided to Americans of all ages with chronic illness or disability.

Q. Isn't this policy another attempt to distract from impeachment?

A. Anyone who has followed this President since he has taken office will recognize his ongoing commitment to help meet the needs of American families. This initiative is a classic example of that commitment. The President has been working on it since the Spring of 1998 and, because it is a new initiative that will be included in his upcoming FY2000 budget, wanted to release it early to ensure that it receives the attention and consideration that it deserves.

Q How do you think Republicans will respond to this initiative? Will it pass this year?

A. The President believes that this initiative has great potential to attract strong bipartisan support in this Congress. It addresses a set of real problems through an approach that both Republicans and Democrats can embrace. And he believes that any policy to recognize and relieve the tremendous responsibilities that caregivers shoulder should and will receive favorable consideration by both parties in the upcoming Congress.

DISABILITY INITIATIVE QS AND AS
January 12, 1999

Q. Shouldn't this tax credit be refundable? Doesn't this mean that low-income people are not helped by this initiative?

A. No. First, let's set the facts straight. The vast majority of low-income people with disabilities are already covered by Medicare and Medicaid. This initiative expands these health insurance options and provides states incentives to take them. Thus, most of the funding in this initiative is targeted towards those low-income people in the process of returning to work.

The tax credit helps offsets the higher costs of work (e.g., personal assistants, special transportation) for people with disabilities who pay taxes, irrespecitve of their income or state of residence. It also, unlike Medicaid and Medicare, allows the worker to use the funds for whatever expenses they incur. This could be assistance with dressing in the morning; costs of special transportation; or payments for assistive devices that improve the worker's productivity.

Q: What will the tax credit pay for that Medicaid and Medicare won't cover?

A: Workers with significant disabilities would receive a $1,000 a tax credit in recognition of the formal and informal costs associated with employment. People are considered disabled if they need personal assistance with one or more activities of daily living. The tax credit can be used for anything the recipient wishes to use it for.

What does Medicare cover?

Medicare pays for skilled nursing care for individuals who are homebound. It does not pay for any type of personal assistance. The majority of the expenses individual with disabilities who are insured by Medicare are likely to incur are associated with personal assistance and home health care services. The tax credit can be applied to these expenses.

What does Medicaid cover?

All Medicaid programs provide home health services for people who are eligible for nursing facility services. However, Medicaid has an optional home and community-based services waiver program that allows States to provide case management, homemaker services, home health aid services, personal care services, adult day health, habilitation and respite care, so personal assistance and home health benefits actually differ significantly by State.
Some Medicaid programs have copayments for their home health and community based services programs. In some States, copayments can be more than $1000 per month. The tax credit can be applied to these expenses.

Q. Why are we only doing tax initiatives? Are you rejecting traditional Medicare and Medicaid program expansions? Aren't you catering to Republicans?

A: Each policy in the President's budget was designed to be the most cost-effective approach to solving a particular problem. This tax credit for workers with disabilities is no exception. Workers with disabilities have very different costs -- for rural residents, it may be transportation; for people limited use of their hands, it may be assistive devices. A tax credit offers the flexibility to assist with a wide-ranging and changing set of needs that Medicaid cannot.

Similarly, the informal, unmeasurable costs of family caregiving are best addressed through a tax credit, as proposed in our long-term care initiative. If Medicaid or Medicare expanded to cover respite care, for example, not only would this undermine rather than strengthen informal family caregiving -- it would cost billions more.

In no way does the President's support for these tax credits undermine his commitment to Medicare and Medicaid. This President has an unparalleled record of protecting, strengthening and expanding these programs. For example, the President's aggressive actions to reduce Medicare fraud contributed to record-low spending growth in 1998 -- the same year that he added new preventive benefits, health plan choices, and low-income protections to Medicare.

Q. How many people will benefit from this proposal?

A. There are no exact counts of people who would benefit from these proposals combined. We do know that 200,000 to 300,000 people would likely benefit from the tax credit, and possibly millions from the new options, services and programs in the Work Incentive Improvement Act and the assistive technology initiative.

Q. What are this initiative's prospects of passing?

A. Removing barriers to work for people with disabilities goes beyond partisan politics. We can all agree that something must be done so that people with disabilities can fully participate in today's strong economy. The President has thanked Senators Jeffords, Kennedy, Roth and Moynihan for their leadership. We hope that early passage of this bill can show the American public that this Congress and President can work together to address real problems that are affecting people's lives today.

PRESIDENT CLINTON HIGHLIGHTS PROPOSALS TO IMPROVE ACCESS TO QUALITY HEALTH CARE AT NEW HAMPSHIRE ROUNDTABLE DISCUSSION
February 18, 1999

Today, President Clinton and Governor Jeanne Shaheen will meet with a panel of New Hampshire residents to discuss the wide range of health care challenges currently facing the nation. The President will emphasize the importance of providing targeted tax credit to defray the costs of long term care services, and will contrast such targeted tax cuts to the Republicans' proposal for an across-the-board tax cut that will squander the budget surplus.

The President will highlight initiatives in his FY 2000 budget that increase access to health care and improve its quality:

- **Addressing growing long-term care needs.** The President's budget includes a historic new initiative to support elderly and disabled Americans with long-term care needs or the family members who care for them. This initiative invests over $6 billion over five years in long-term care, including a $1,000 tax credit to compensate for the cost of long-term care services; a new $625 million National Family Caregiver Program, which will help states provide direct services and support for those caring for elderly family members with long-term care needs; a new proposal to allow states to provide home- and community-based care to people whose income level now qualifies them for nursing-home care under Medicaid; and a national campaign to educate Medicare beneficiaries about long-term care options. The President also will praise New Hampshire's efforts to expand community-based care services for Medicaid enrollees and to provide critical information to elderly and chronically ill adults about their long-term care options.

- **Improving economic opportunities for Americans with disabilities.** More than 70 percent of Americans with disabilities are unemployed, often because they face significant barriers to work, such as the risk of losing health care. The President has proposed a series of bold new initiatives to enable people with disabilities to return to work. This five-year, $3.2 billion initiative includes full funding for the Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act which will enable many workers with disabilities to buy into Medicaid and Medicare; a $1,000 tax credit to help offset the cost of the services and supports that people with disabilities may need to get and keep a job; and a new regulation to increase the amount that people with disabilities can earn and still maintain Social Security benefits. New Hampshire currently provides community-based services through Medicaid to individuals with disabilities, and in recognition of the State's innovation in this area, the Vice President recently gave the State a grant to help remove barriers to employment for people with disabilities.

- **Helping small businesses provide health care coverage for their employees.** The President's budget includes a $44 million investment in targeted tax credits to increase health care coverage by encouraging small businesses to participate in voluntary purchasing coalitions that provide a variety of health care choices at relatively low cost.

This initiative provides a new 10 percent tax credit for small businesses that decide to offer coverage by joining coalitions; encourage private foundations to support coalitions by making their contributions towards these organizations tax-exempt; and offers technical assistance to small business coalitions from the Administrators of the Federal Employees Health Benefit Plan. Governor Shaheen has proposed legislation that creates voluntary small-business purchasing alliances to reduce costs and increase options for small businesses offering health insurance to their employees. She believes that the Administration's proposal will provide needed financing for this effort.

- **Implementing the Children's Health Insurance Program, the largest investment in children's health in a generation.** The Administration is committed to implementing the Children's Health Insurance Program (CHIP) and has developed a national outreach campaign to sign up every child eligible for Medicaid or CHIP coverage. New Hampshire, under Governor Shaheen's leadership, is one of 46 states that already have implemented the CHIP program: the State's program -- Healthy Kids -- provides health insurance to thousands of uninsured New Hampshire children.

- **Protecting patients with a strong, enforceable patients bill of rights.** The President again will call on Congress to pass a strong, federally enforceable patients' bill of rights that includes: guaranteed access to needed specialists; access to emergency room services when and where the need arises; and access to a meaningful external appeals process to resolve disputes with health plans. The President is already doing everything he can to implement these protections by extending them to the 85 million Americans covered by federal health plans. Governor Shaheen has proposed an HMO Accountability Act to provide similar patient protections.

POTENTIAL QUESTIONS AND BACKGROUND FOR ROUNDTABLE DISCUSSION

BACKGROUND ON BETH DIXON: *Beth Dixon* is a 49 year old mother of four from Concord, New Hampshire who spent the majority of the last year caring for her father, who suffered from Alzheimers and died in March of 1998. When Ms. Dixon's father was first diagnosed with Alzheimers, both her parents moved in with her. She speaks very well about the emotional strain that caregiving for a relative caused, for both her, her mother, and her children. Ms. Dixon was a "sandwich" caregiver, faced with the responsibility of caring for both a parent and her children. She believes that the new $1000 tax credit, which her parents would have qualified for, and the proposed National Family Caregivers Support Program would have made an incredible difference in the family's quality of life and would have postponed her father's entry into a nursing home.

- **PRESIDENT CLINTON: Question for Beth Dixon:** Beth, your experience as a caregiver and your contribution as an advocate are inspirational. Would the services we're talking about today have made a difference in your circumstances, and in people who faced similar caregiving challenges?

  [The PRESIDENT has the opportunity for a follow-up question.]

BACKGROUND ON DAVID ROBAR: *David Robar* is a 34-year-old native of New Hampshire who sustained a spinal cord injury in 1990 which resulted in permanent quadriplegia. Before his accident, he was a world class ski jumper and a potential candidate for the 1988 Olympic Ski Team. At the time of his injury, he returned to school to study business at New England College, in Henniker, NH. After his accident, Mr. Robar returned to school and obtained his B.A. in 1992. He now works part-time in communications for the Granite State Independent Living Center. Currently, the personal attendant benefits he receives through the Medicaid program are what makes it possible for him to work. If he were to work full time, he would make too much to be eligible for Medicaid and lose his personal attendant benefits -- but if he were to pay for his personal attendant services out of pocket, it would cost him over $40,000 a year, more than he would make working full time. He is frustrated because he feels that he is unable to really use the college education that he worked hard to get, and speaks passionately about his desire to be a fully contributing member of the workforce.

- **PRESIDENT CLINTON: Question for David Robar:** David, we really welcome your support for our long term care and disability initiatives. An economy that has such a low unemployment rate particularly drives home the point that we must take advantage of every American who can make a contribution to the workforce. We must tap every resource. Do you believe that there are many people with disabilities, in New Hampshire and throughout the country, who desperately want to work, but simply cannot afford to run the risk of working without health insurance?

[The PRESIDENT has the opportunity for a follow-up question, possibly on the Patients Bill of Rights.]

BACKGROUND ON KAREN GODDARD: *Karen Goddard*, is a 37 year-old, divorced, single mother of 2 children from Nashua, NH. She is the owner of 2 maternity and children's clothing stores, and has 4 part-time employees. While 3 of her employees are covered under their spouses' health insurance policy, she is currently unable to purchase health insurance for herself or the other employee because of the high cost associated with purchasing individual coverage. Finding a health insurance package that meets their needs is a priority for both Ms. Goddard and her employee, and she is somewhat frustrated by the fact that they have been searching for an affordable insurance option for over four years and have been unable to find one. Ms. Goddard speaks eloquently about the fears and financial difficulties that being uninsured causes, and is enthusiastic about the financial assistance that the small business tax credit would provide, as well as the increased health insurance options that would be associated with participation in a small business purchasing coalition.

- **PRESIDENT CLINTON: Question for Karen Goddard:** Karen, you talked about how you've tried for a long time to find an affordable health insurance option that suits your needs. We're working with Governor Shaheen to make it easier for small business owners to offer health insurance by giving them financial assistance that makes it easier for them to purchase insurance as a group. Do you think having someone work through the administrative processes associated with purchasing health care, as well as getting a small break on the price, would make it easier for you to find a health insurance plan that works for you and your employees?

[GOVERNOR SHAHEEN has the opportunity to ask a follow-up question.]

BACKGROUND ON CHRISTINE MONTEIRO: *Christine Monteiro* is a 41 year old woman with four girls who have been insured intermittently for the past 11 years and completely uninsured for 5 years. When one of her daughters was ill, Mrs. Monteiro took her uninsured child to see the doctor. She recieved treatment and was advised that her daughter might be eligible for the new CHIP program. After almost immediately following up, she was thrilled to discover that her kids were indeed eligible. Since that time, she has learned that one of her daughters has a physical ailment that will require specialty care that her new CHIP insurance covers. This has provided her with immeasurable relief from worry and she is extremely appreciative for this insurance.

- **PRESIDENT CLINTON: Question for Christine Monteiro:** One of the greatest challenges we face in administering this new children's health plan is actually locating those who are eligible for this coverage. Your experience illustrates one way (ie: utilizing provider offices) that we can link the program to the population in need, but I was wondering if you can give us some of your own suggestions on where and how best we can locate parents of these children who are eligible for CHIP or Medicaid.

[GOVERNOR SHAHEEN has the opportunity to ask a follow-up question.]

BACKGROUND ON STEPHEN GORIN: Stephen Gorin is a professor in the Social Work Program at Plymouth State College in New Hampshire and is the Executive Director of the New Hampshire Chapter of the National Association of Social Workers, the State's most visible patient advocacy organization. Dr. Gorin hosts a biweekly radio program on WKXL-AM/FM in Concord, NH.

- **PRESIDENT CLINTON: Question for Stephen Gorin:** Steve, I know you've played an active and supportive role in the Governor's work in providing State based patient protections.A lot of critics suggest that these reforms will increase costs and that businesses will no longer be able to sustain the cost of providing health insurance, driving up the numbers of the uninsured. How do you respond to that?

Draft 02/17/98 5:45pm
Jeff Shesol

PRESIDENT WILLIAM J. CLINTON
REMARKS ON LONG-TERM CARE TAX CREDIT
DOVER, NEW HAMPSHIRE
February 18, 1999

Acknowledgments: Gov. Shaheen; Beth Dixon; Karen Goddard; Shawn Minotti; David Robar; other panelists TK

I want to thank the Governor for her remarks, and I especially want to thank her for all she's doing to improve the quality and availability of health care here in New Hampshire. I think her proposals are good ones. And I think they will go a long way toward helping the people of New Hampshire meet the challenges of health care in the 21st Century.

Today, our panelists will discuss a number of these challenges: from the rights of patients to the concerns of small businesses providing coverage; and from the health care needs of children to those of the elderly and people with disabilities. My administration has been working for six years now to make progress in these areas; and my latest balanced budget renews that commitment. We remain focused on the future. And that is why I want to talk this morning about meeting the greatest challenge of the new century: the aging of America. As the Baby Boom becomes the Senior Boom, long-term care will become a growing need. So it is more important than ever that we help families provide that essential kind of care for their loved ones. In my balanced budget, I have proposed and paid for a long-term care tax credit of $1,000 to help families do exactly that.

I will have more to say about that proposal in a moment. But first, let me put it into a larger picture, and say that a long-term care tax cut is exactly the kind of tax cut we should be making. As you know, we are engaged in a great national debate right now about how to use the budget surplus. Now, we can all agree that America should have tax cuts. But there are two very different ways we can go about it. First, there is the old way -- failed and full of risk -- that some Republicans are trying to resurrect. They are saying: splurge today, save tomorrow. That's not the approach that Vice President Gore and I have proposed. Our approach says invest today, save for tomorrow. Our kind of tax cut is one that doesn't destroy our fiscal discipline, but preserves it. Our kind of tax cut is not indiscriminate, but is, instead, targeted to meet people's real needs for the future. Above all, our kind of tax cut allows us to meet our responsibility to future generations -- and to invest the lion's share of the surplus in saving Social Security and Medicare first.

Even some Republican moderates are coming to see the wisdom in this approach, in targeted tax cuts. I look forward to working with them to make the right choices for future generations -- to make sure we don't squander our historic opportunity to save Social Security and Medicare, and pay down the debt. As I said in my State of the Union Address one month

ago, we can make good on that opportunity -- while providing tax relief like USA Accounts, and while making targeted tax cuts in areas from urban investment to clean energy technology, and from child care to long-term care. That is the way we should use our surplus: We should invest it. Invest it in America's future.

As I have said: In the future, in the 21st Century, America will be an aging nation. And as the ranks of the elderly grow, so do the numbers of vulnerable Americans who cannot fend for themselves. Already, millions of households are caring for elderly relatives and neighbors and people with disabilities. It is the cycle of life. Our parents worked and saved and sacrificed for us in our youth; adult children are working and saving and sacrificing for their parents in old age.

Providing long-term care at home is, more and more often, a common choice, but it is rarely an easy one. We heard about these challenges at the Family Conference the Vice President hosted in Nashville last summer; and he is now helping to lead our efforts by holding a series of forums across the nation. Since long-term care is rarely covered by private insurance or Medicare, out-of-pocket expenses can be high. Moreover, caregivers who hold jobs outside the home -- and that is a vast majority -- may have to take unpaid leave or work fewer hours to fulfill all their responsibilities.

We have taken steps to ease the burdens on these families in a number of ways: by strengthening Medicare, by extending the trust fund, by promoting prevention and cracking down on fraud and abuse. But the aging of America in the 21st Century will demand more of us. The long-term care tax cut I proposed last month would help to meet the needs of individual families, empowering them to do what is best, showing them how very much we value the work they do. And it is only one part of our comprehensive long-term care initiative: I have also proposed a national Caregiver Support Program, as well as new steps to help Medicaid pay for home- and community-based care. Caregiving is a vital and sacred compact among generations -- and one we should recognize and reward as a nation.

There is more we must do to improve health care in America. We should also join together across party lines to pass a strong, enforceable Patients' Bill of Rights -- as well as the landmark legislation proposed by Senators Kennedy, Jeffords, Roth, and Moynihan to allow people with disabilities to keep their health insurance when they go to work. We must keep working to help small businesses insure their employees, since it is the smallest companies that often have the greatest difficulty in providing coverage. And we must keep working until our uninsured kids have the coverage they need and deserve. In 1997, we passed the largest investment in children's health in a generation, helping extend coverage to up to 5 million children; and now, in states across the country, Governors like Jeanne Shaheen are working to implement their programs. In this way, we are all working together to build a stronger and healthier America for the 21st Century.

I know our panelists have some important perspectives to share. I am looking forward to starting that discussion.

STATEMENT -- BETH DIXON

I am the mother of four children. My youngest child has a disablity and requires a great deal of support to experience a typical life. About six years ago we discovered my father had Alzheimer's disease, and my mother was his primary caregiver. About a year and a half ago, my parents sold their home, and moved in with us. I was sure that we would be able handle whatever we needed to with supports in the community to assist us in caring for my dad at home. After calling many agencies and organizations, I realized there was very little help available to families in this situation. As the disease progressed, and my dad's condition deteriorated, my mother made the very tough decision to place him in a nursing home over an hour away. I had been doing all I could to help her help him, while also taking care of my family. We all wanted my dad to be able to stay at home as long as possible, but eventually my mother felt that she had no option but to put him in a nursing home, she was exhausted, and she was feeling guilty about living with us.

Beth, your experience as a caregiver and your contribution as an advocate are inspirational. Would the services we're talking about today have made a difference in your circumstances, and in people who faced similar caregiving challenges?

STATEMENT -- DAVID ROBAR

Thank you Governor Shaheen, for your past and continued support of people with disabilities. As you can see this is a very personal issue for me and I am proud and pleased to see that you and the President have taken on these very tough issues. As someone who is personally affected by these issues every day, I would like to share my story with you.

In 1990, I sustained a spinal cord injury that changed my life dramatically. After spending 3 months in the hospital and 3 months in rehab, I returned home to adjust to a new life. Despite all these changes, I was determined to finish my degree and with the help of Vocational Rehabilitation, I finished my degree in Business Administration. When I began looking for a job I found myself in a catch 22. Currently, the personal attendant benefits I receive through the Medicaid program are what makes it possible for me to work -- they literally get me out of bed in the morning. If I were to work full time -- which I would like to -- I would make too much to be eligible for Medicaid, and I would lose my personal attendant benefits and my health care coverage. If I were to pay for my personal attendant services out of pocket, it would cost me more than I would make working full time.

Mr. President, your support for the Work Incentives Improvement Act and the other initiatives you have promoted to address the long term care needs of individuals of all ages, is the first critical step towards eliminating barriers to employment for individuals with disabilities, and I want to thank you for your support.

David, we really welcome your support for our long term care and disability initiatives. An economy that has such a low unemployment rate particularly drives home the point that we must take advantage of every American who can make a contribution to the workforce. We must tap every resource. Do you believe that there are many people with disabilities, in New Hampshire and throughout the country, who desperately want to work, but simply cannot afford to working if it means losing their health insurance?

Absolutely, Mr. President. About 15 million working-age adults have significant disabilities which inhibit their ability to work. People with disabilities can bring tremendous energy and talent to the American workforce, yet institutional barriers often limit their ability to work. A National Organization on Disability poll showed that 72% of the people with disabilities want to work. Unlike many Americans, many people with disabilities want to pay taxes -- or a least want the opportunity to pay taxes -but are currently forced to choose between employment and access to critical health care services. The initiatives you have proposed will change that for millions of Americans, and I want to thank you for your leadership once again.

STATEMENT -- KAREN GODDARD

I am a single mom of two girls and have been self employed for eight years. For the past few years, I have been searching for an affordable health insurance package for both myself and my employees. We have never been to find a plan for which we could afford the monthly premiums. Although I've been able to find health insurance for my children, I am often worried about what would happen if I had an accident or got very sick. I know that I am not alone in this situation; many of my friends, most of them with children, are also uninsured. We are often frustrated by the fact that health insurance, even for people for who are healthy, is just so incredibly expensive. As business owners and parents, we would like to find a way to find adequate health insurance that we can afford.

Do you think having someone work through the administrative processes associated with purchasing health care, as well as getting a small break on the price, would make it easier for you to find a health insurance plan that works for you and your employees?

Yes, I do. What appeals to me as a small business owner is the fact that someone else would take care of the adminsitrative aspects of finding a health insurance plan. As a parent, I would appreciate having a range of health insurance options, so that I could choose the best one for me and my family. And, of course, getting a break on the price doesn't hurt -- every little bit helps. Mr. President and Governor Shaheen, I want to tell you both how much I appreciate your efforts to take on these difficult issues that are so important to small business owners like me.

STATEMENT -- CHRISTINE MONTEIRO

I am the mother of four daughters, 25, 22, 16, and 11. For the past 11 years, my husband and I have been running a family business. We have had at least four different insurance plans. The premium starts out affordable, but the deductibles are so high that the plans don't even cover doctor or dentist visits. Also, after one year even the premium is no longer affordable. So for the first six years we had our business we were on and off of health insurance plans, and for the past five years we have had no insurance coverage. Last month, we found out about Healthy Kids through my doctor's office. We were told this would be a way to get health insurance for our daughters at an affordable rate that would only increase with an increase in my income. One of my daughters has been to the doctors three times already this month. Without Healthy Kids I don't know how we would be able to pay for her medical bills. I don't have to worry anymore about taking my girls to the doctor.

One of the greatest challenges we face in administering this new children's health plan is actually locating those who are eligible for this coverage. Your experience illustrates one way (ie: utilizing provider offices) that we can link the program to the population in need, but I was wondering if you can give us some of your own suggestions on where and how best we can locate parents of these children who are eligible for CHIP or Medicaid.

STATEMENT -- STEPHEN GORIN

Good morning, Mr. President. Welcome to New Hampshire. I'd like to briefly address an issue I know you understand well: the need for a Patients Bill of Rights. I've traveled throughout New Hampshire, and spoken on this issue before many audiences, including providers and consumers. Invariably, I've found strong support for the bill of right. The stories I've heard are chilling: families denied access to specialists physicians offered incentives to limit referrals, and consumers denied the right to appeal adverse decisions. Although NH has made some progress in recent years, largely due to the hard work of our governor, a recent study by Families USA found that we still lag behind many states in consumer protections. Governor Shaheen's HMO Accountability Act will remedy some of these problems and we applaud her efforts. However, as you well know, we also need action at the federal level. Due to a loophole in federal law, an estimated 600,000 New Hampshire residents lack a means of holding managed care organizations accountable for injury or damages. The patients bill of rights closes this loophole. We've heard much today about the need to expand access. As an advocate, I certainly understand the need to provide coverage for all our residents. In a sense, however, coverage is only half the picture. Without a patients bill of rights, coverage can be meaningless. Consumers need to know that if they go to an emergency room, their plan will pay for it and if they have cancer, they will have access to an oncologist. They also need to know that they will have the right of independent appeal if they are denied treatment or care. Both consumers and purchasers want value for their product, and only a bill of rights can ensure that they get it.

We also know, Mr. President, that some in Congress have introduced legislation purporting to be a patients bill of rights. Unfortunately, this legislation is more a bill of goods than a bill of rights. We urge you to hold out for legislation that will provide real protection and ensure the accountability of managed care organizations to consumers.

The NH Legislature needs to enact the HMO Accountability Act and Congress needs to enact a patients bill of rights that allows the states to regulate managed care organizations and protect all our citizens.

Steve, I know you've played an active and supportive role in the Governor's work in providing State based patient protections.A lot of critics suggest that these reforms will increase costs and that businesses will no longer be able to sustain the cost of providing health insurance, driving up the numbers of the uninsured. How do you respond to that?

First Mr. President, I believe we can't afford not to pass this legislation. We need to restore the public's confidence in our health care system. But most importantly, the estimates produced by independant analysts completely undermine the false claims by the opponents of this long overdue legislation. Every independant analyst, whether it be CBO, Coopers and Lybrand, or Kaiser Family Foundation, have all concluded that these costs will be minimal -- less than $2.00 a month per enrollee. I think that's a very small price to pay to ensure continued confidence in the health care system -- that you'll have the health care you'll need when you need it.