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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. schedule	re: Schedule of the President for Thursday, September 23, 1993 [partial] (4 pages)	09/23/1993	b(7)(E)

COLLECTION:
Clinton Presidential Records
Staff Secretary
Paul Richard
OA/Box Number: 2450

FOLDER TITLE:
[Briefing Books-Presidential Trip to Tampa and St. Petersburg, Florida, September 22-23, 1993]

2019-0846-S
rs3277

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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Paul Richard

BRIEFING BOOK

FOR

THE TRIP OF THE PRESIDENT

TO

TAMPA & ST. PETERSBURG, FLORIDA

September 22 - 23, 1993

Staff Copy

Table of Contents -- Tampa & St. Petersburg, Florida Trip

Thursday, September 23, 1993

TAMPA, FLORIDA

Friday, September 24, 1993

ST. PETERSBURG BEACH, FLORIDA

Crime Event

Florida Background

SCHEDULE OF THE PRESIDENT

FOR

THURSDAY, SEPTEMBER 23, 1993

FINAL

SCHEDULER:	**JOSH KING**	
	HOME:	**202-328-7531**
	OFFICE:	**202-456-7560**
	WHCA PAGER:	**4450**
PRESS DESK:	**ANNE EDWARDS**	
	HOME:	**301-565-3101**
	OFFICE:	**202-456-7560**
	WHCA PAGER:	**4208**

PRINCIPAL EVENTS:

* **Health Care Rally** - South Lawn
* **Town Hall Meeting** - Tampa, FL

WEATHER:

Washington, DC
Partly to mostly cloudy with a chance of late afternoon showers and warm; minimum temperature 58 to 63; maximim temperature 81 to 86; wind northwest shifting to southwest at 8 to 15 knots

Tampa and St. Petersburg, FL
Partly to mostly cloudy with a chance of thundershowers; minimum temperature 65 to 70; maximum temperature 85 to 90; wind south to southwest at 5 to 10 knots

as of 09/22/93 7:08pm

Florida Advance Team:

Team Member	Team Assignment	WHCA Pager	Cell #	SKYPAGE pin
Mort Engleberg	Lead		202-494-9879	207-4705
Stephanie Owens	Site, Town Hall Meeting		202-365-7723	
Connie Coopersmith	Site, Reception	5641		
John Doorlay	Site, Crime Event	5541	202-494-9731	
Sam Myers	Press Lead	4430	202-494-9838	883-5766
Michelle Terhume	Press	5004	202-494-9846	
Jess Sarmiento	Press Credentials	4117		
Ashley Adams	Motorcade	5072	202-494-9790	
Bridgette Streett	RON	5342		
Catherine Grunden	RON	5291		

Florida Contact Numbers:

Contact Number	Direct Dial	From White House *96+
Staff Advance Phone	813-363-6004	35220
Staff Advance Fax	813-363-6061	35218
Staff Hotel Phone	813-360-1881	35265
Press Advance Phone	813-363-6060	35224
Press Advance Fax	813-363-6062	
Signal Operator	813-363-6009	35000
Meet Me Conference	202-757-2104	

Staff Hotel: Don Ce Sar Beach Hotel

SCHEDULE OF THE PRESIDENT
FOR
THURSDAY, SEPTEMBER 23, 1993
FINAL

NOTE TO STAFF:	**Staff vans depart from the West Basement en route Andrews Air Force Base at 4:45 pm. Please be assembled by 4:30. Staff driving themselves to Andrews Air Force Base should arrive there no later than 5:15 pm** **Baggage call is at 3:00 pm at room 89 1/2.**

tba	**JOG**
9:30 am- 9:45 am	**COMBINED BRIEFINGS** OVAL OFFICE Staff Contact: Tony Lake
9:45 am- 10:15 am	**MEETING** with Chairman Wilhelm OVAL OFFICE Staff Contact: Joan Baggett **CLOSED PRESS**
10:15 am- 10:30 am	**MEETING** OVAL OFFICE Staff Contact: Roy Neel
10:45 am- 11:00 am	**BRIEFING** for Iacocca meeting OVAL OFFICE Staff Contact: Bill Daley
11:00 am- 11:30 am	**MEETING** with Lee Iacocca OVAL OFFICE Staff Contact: Bill Daley **CLOSED PRESS**
11:45 am- 11:55 am	**MEETING** with Mayor Teddy Kollek of Jerusalem OVAL OFFICE Staff Contact: Tony Lake **CLOSED PRESS**
12:00 pm- 1:00 pm	**LUNCH** with Vice President Gore OVAL OFFICE

as of 09/22/93 7:08pm

1:00 pm-
1:15 pm

MEETING
OVAL OFFICE
Staff Contact: Bob Rubin

1:15 pm-
1:30 pm

MEETING
OVAL OFFICE
Staff Contact: Carol Rasco

1:30 pm-
1:40 pm

BRIEFING for health care rally
OVAL OFFICE
Staff Contact: Julia Moffett

1:45 pm-
2:00 pm

BRIEF MEET AND GREET with CEOs
STATE DINING ROOM
Staff Contact: Alexis Herman
CLOSED PRESS

2:00 pm

THE PRESIDENT proceeds to the Red Room to meet the Vice President, the First Lady, and Mrs. Gore

2:05 pm

THE PRESIDENT, Vice President Gore, the First Lady, and Mrs. Gore proceed to the Diplomatic Reception Room

2:05 pm-
3:00 pm

HEALTH CARE RALLY
SOUTH LAWN
Remarks: Lissa Muscatine
Staff Contact: Julia Moffett
OPEN PRESS

- **The President**, the Vice President, the First Lady, and **Mrs.** Gore are introduced and proceed to stage
- **The First Lady** welcomes guests
- **Mrs. Gore** makes brief remarks
- **Vice President Gore** makes brief remarks
- **The First Lady** makes brief remarks
- **The President** makes brief remarks
- **All Principals** depart stage, work ropeline, and proceed to the Diplomatic Reception Room

3:00 pm-
3:10 pm

MEET AND GREET with National Service staff
OVAL OFFICE
Staff Contact: Eli Segal

Withdrawal/Redaction Sheet
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3:10 pm- 5:30 pm — **PHONE AND OFFICE TIME**
OVAL OFFICE

NOTE:	**Marine 1 will arrive at the landing zone 5 minutes before the President's arrival. At that point, all automobile traffic will be held in place until Marine 1 departs. Every effort should be made to have the motorcade depart the White House as close to "on time" as possible.**

5:40 pm — **THE PRESIDENT** departs White House via motorcade en route landing zone
[drive time: 2 minutes]

5:42 pm — **THE PRESIDENT** arrives landing zone and boards helicopter

5:45 pm — **THE PRESIDENT** departs landing zone via Marine 1 en route Andrews Air Force Base
[flight time: 10 minutes]

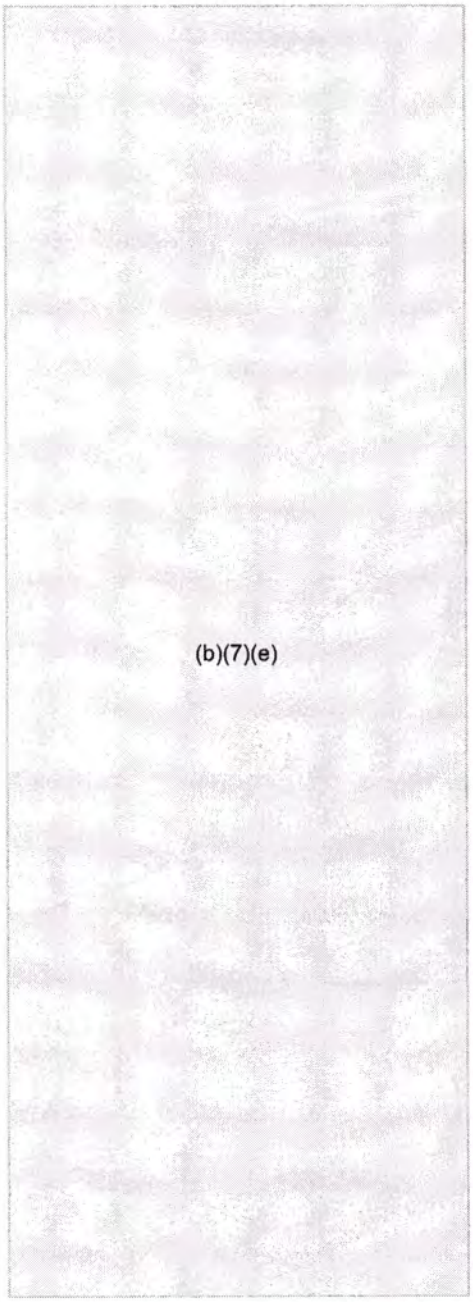
5:55 pm — **THE PRESIDENT** arrives Andrews Air Force Base and boards aircraft

6:05 pm — **THE PRESIDENT** departs Andrews Air Force Base via Air Force 1 en route Hangar One Ramp, Tampa International Airport, Tampa, FL
[flight time: 2 hours]

8:05 pm — **THE PRESIDENT** arrives Hangar One Ramp, Tampa International Airport, Tampa, FL, and boards motorcade

Met by:
Hon. Sandy Freedman, Mayor of Tampa
Hon. Bob Crawford, Agriculture Commissioner
Mr. Dennis Ross, Host Committee
Mendez Foundation Kids

8:20 pm — **THE PRESIDENT** departs airport via motorcade en route Tampa Performing Arts Center
[drive time: 10 minutes]



8:30 pm

THE PRESIDENT arrives loading dock, Tampa Performing Arts Center, and proceeds to event prep

Met by: Judith Lisi, Executive Director
Judy Munson, Director of Advancement
John Connolly, Finance Director

NOTE TO STAFF: Staff should proceed directly to the staff holding room.

as of 09/22/93 7:08pm

8:40 pm-
12:30 am

ABC TOWN MEETING WITH PRESIDENT CLINTON
Tampa Performing Arts Center
1010 North W.C. MacInnes Place
Tampa, FL

8:40 pm-
8:50 pm
Makeup
DRESSING ROOM 8
Staff Contact: Mort Engleberg
CLOSED PRESS

8:55 pm-
9:55 pm
Event prep
FESTIVAL HALL STAGE
Staff Contact: Jeff Eller
CLOSED PRESS

10:00 pm-
11:00 pm
Live Town Hall Meeting
THE PLAYHOUSE
Remarks: Bob Boorstin
Staff Contact: Jeff Eller
NO-SOUND POOL SPRAY at beginning of show

NOTE: **The town meeting will begin with a five-minute video segment and will include several commerical breaks.**

11:00 pm-
11:05 pm
Break
FESTIVAL HALL STAGE
CLOSED PRESS

11:05 pm-
11:35 pm
Pre-taping of "Nightline"
THE PLAYHOUSE
Staff Contact: Jeff Eller
CLOSED PRESS

NOTE: **This will be a continuation of the town meeting format.**

11:50 pm-
12:30 am
Reception
BANQUET HALL
Staff Contact: Linda Moore
CLOSED PRESS

12:40 am
THE PRESIDENT departs event site via motorcade en route Don Ce Sar Beach Hotel, St. Petersburg Beach, FL
[drive time: 40 minutes]

(b)(7)(e)

1:20 am

THE PRESIDENT arrives Don Ce Sar Beach Hotel, St. Petersburg Beach. FL. and proceeds to suite

NOTE: There will be no greeters.

NOTE TO STAFF:	Room Service will be available all night. Staff members staying on floors 6 and 7 will find their room keys pre-positioned in their doors. Remember, baggage call for Friday will be 7:30 am outside hotel rooms. NO EXCEPTIONS!

BC AND STAFF RON

DON CE SAR BEACH HOTEL
3400 GULF BLVD.
ST. PETERSBURG BEACH, FL

THE WHITE HOUSE

WASHINGTON

September 23, 1993

AIRPORT GREETING WITH KIDS

DATE: **September 23, 1993**
LOCATION: **Tampa International Airport**
TIME: **8:05 pm**
FROM: **Josh King**

I. PURPOSE

To pose for a brief photo op under the Air Force One Presidential Seal with 15 students of the Mendez Foundation's "Too Good For Drugs" program, a local anti-drug, anti-violence organization.

Selecting this group to greet you upon arrival in Tampa will reinforce the secondary theme of this trip: the need to alter the burgeoning violent culture in America.

II. BACKGROUND

The Mendez Foundation was founded in Tampa in 1978 to develop a kindergarten through sixth grade curriculum teaching the consequences of drug and alcohol abuse. In addition to awareness, the program teaches decision-making, peer pressure refusal, stress and coping, and peer leadership.

From its beginnings in Tampa, Mendez Foundation programs have been replicated in over 900 school systems nationwide.

Mendez' new program, "A Peace-Able Place", teaches students to avoid the pitfalls of living in a violent culture and how to get along peacefully with others.

III. PARTICIPANTS

THE PRESIDENT
15 Students from the Mendez Foundation

IV. PRESS PLAN

Pool Press

V. SEQUENCE OF EVENTS

-- After greeting Florida's constitutional officers on the tarmac, you return to the belly of the aircraft, where the Mendez kids will be pre-positioned under the Presidential Seal.

-- You pose for a photo, shake their hands, and board the motorcade.

VI. REMARKS

None

THE WHITE HOUSE

WASHINGTON

September 22, 1993

ABC NEWS HEALTH CARE TOWN HALL MEETING

DATE: September 23, 1993
TIME: 10:00 P.M.
LOCATION: Tampa Performing Arts Center
FROM: Jeff Eller

I. PURPOSE

You will hold a national town hall meeting for the purpose of answering questions directly from the American people about your Health Security Plan.

II. EVENT BACKGROUND

The town hall meeting, hosted by Ted Koppel, will be broadcast live on ABC News from Tampa and linked via satellite to audiences at the Harvard School of Medicine, the University of Chicago Medical School and UCLA Medical School.

There will be approximately 1,000 audience participants at the Tampa site and several hundred more at the Boston, Chicago and Los Angeles remote sites. Tampa participants represent a cross section of the community, interested in a variety of health care issues. (No elected officials or special interest group leaders will be present). Remote site participants include health care professionals invited by each hospital.

The event will be broadcast from 10:00 pm to 11:40 pm with a break for approximately ten minutes at the top of the hour. The final 30 minutes of the town hall meeting will be taped for broadcast later in the evening on ABC's Nightline. Koppel will open the program and field audience questions. There will be no more than two questions taken from each remote site.

(PLEASE SEE ATTACHED FOR HEALTH CARE TALKING POINTS, BRIEFING ON FLORIDA, CALIFORNIA, ILLINOIS AND MASSACHUSETTS STATE HEALTH CARE SYSTEMS AND HEALTH CARE Q & A.)

III. PARTICIPANTS

The President
Ted Koppel, ABC News
Town Hall Meeting Participants

IV. SEQUENCE OF EVENTS

9:00 pm	You arrive Festival Hall Stage for Event Prep
9:00 pm - 9:50 pm	Event Briefing and Walk Through
9:55 pm	Arrive The Playhouse for Town Hall Meeting
10:00 pm - 11:00 pm	Town Hall Meeting
11:00 pm - 11:05 pm	Break
11:05 pm - 11:40 pm	Pre-taping of Nightline/Town Hall Meeting

V. PRESS PLAN

The event will be open to other local and national press for a pool spray at the beginning of the show.

VI. REMARKS

Not required. Talking points and possible Q & A provided.

TALKING POINTS FOR THE PRESIDENT
TAMPA TOWN MEETING
September 23, 1993

- Thank you for coming here today and talking to me about this issue that affects every one of us.

- Last night, I presented my proposal for comprehensive health care reform to Congress and to the American people.

- At the core of my proposal is this vision: **a day when every American citizen and legal resident will receive a Health Security Card that guarantees you a comprehensive package of benefits that can never be taken away.**

- We are about to begin what will likely be a long and difficult debate over how we best achieve health care reform in this country.

- People will certainly disagree. And we want the ideas of members of Congress, health professionals, and all Americans in how to make this a plan that works for our nation. But despite the debate over details, there are several principles which I believe are central to health care reform. These are the principles which I outlined last night, and on these principles, I will not compromise.

- Security. Every American and legal resident will receive a Health Security Card that will guarantee a comprehensive benefits package that can never be taken away.
- Simplicity. Reduce paperwork and simplify the system.
- Savings. Control health care costs for consumers, business and our nation.
- Choice. Increase choices of health plans and preserve choice of doctor.
- Quality. Improve the quality of American health care.
- Responsibility. Make everyone responsible for making our health care system work.

- As I said before, we are only beginning a national discussion which is likely to take up much of the next several months -- in the halls of Congress, at kitchen tables, and on the radio airwaves.

- A lot of very technical words about health care will be thrown around, a lot of buzzwords. But remember throughout that this debate is about you: your problems and your concerns. And don't let us forget it.

- That is why you all are so important to this debate, that is why I have begun this fight for reform, and that is why I am here to talk with you all here today.

- There will be a lot of misinformation out there about what this plan means to people -- much of it spread by people who don't want reform and will use scare tactics to preserve the current system.

- I want to try to give you a sense of tonight of what this plan will really mean to you, and your families, and your futures.

- And I am counting on all of you -- as this debate goes on -- to stay engaged in this national discussion, keep the pressure on your representatives in the Congress, and continue your demand for reform.

- Again, thank you all for coming, and I'll take any questions you might have.

QUESTIONS AND ANSWERS

The following is intended for use by the President for the town meeting in Tampa the day after the speech. In a slightly revised form, these could be used for wider distribution.

Questions and Answers On:

- Job Impact
- Small Business Impact
- Medicare/Medicaid Savings
- An Untested Plan
- Middle-Class Taxes
- Price Controls
- Malpractice
- Rationing
- Research and New Technology
- Government Regulation
- Doctor Choice
- Pay More and Get Less
- Forcing People Into Managed Care
- Why Not Single-Payer?
- Employer vs. Individual Mandate
- I've Got Good Insurance
- Financing
- Savings
- Rural Health
- Urban Health
- Veterans
- Unions
- Abortion
- Health Alliances
- Benefits Package

JOB IMPACT

Q: **Won't the Clinton plan destroy millions of jobs?**

A: Let's put this in perspective: economists and business leaders agree that comprehensive health care reform is a necessary element in a strategy to increase long-term economic growth, reduce the deficit, and create jobs. **Today, the rising cost of health care is a hidden tax on American workers and employers** -- hurting businesses, limiting job creation and threatening our competitiveness. **The bottom line is this: most businesses provide health care to their workers. Health care reform will lower their health care costs -- allowing them to create jobs and increase wages.**

Manufacturers -- the employers that pay the highest wages to middle-class Americans -- have been forced to lay off workers because of rising health costs. **Our health care reform proposal will have dramatically lower health costs for manufacturers and make it easier for them to compete and create new jobs.**

From small businesses that provide insurance to manufacturers like Chrysler and US Steel, costs will be controlled and money will be freed up for job creation. The Wall Street Journal has called the plan "an unexpected windfall" for small businesses. Studies show that **the fastest growing small businesses are the ones that provide health insurance.**

In addition, **there will be jobs created in the health care industry**, particularly for nurses and home health workers who will be providing more care. Joshua Weiner, a health economist at the Brookings Institution, predicts that the Health Security Act will create 750,000 home health care jobs, and that overall the plan will be a job creator.

SMALL BUSINESS IMPACT

Q: **Won't small businesses be driven under by the employer mandate?**

A: Two-thirds of small businesses currently cover their employees. For these businesses, health care reform will mean a chance to expand and create new jobs. **The Wall Street Journal calls the plan "an unexpected windfall" for small businesses.**

Some people say that this proposal is going to hurt small businesses. And it's important to keep in mind that my critics are right on one important point: asking all employers -- including low-wage small businesses -- to provide comprehensive coverage for their employees without discounts would be unreasonable. But that's not what my plan is -- my plan provides **discounts of between 30 and 80%** for small businesses, depending on the average wage of their workers.

Most small businesses will receive a windfall because they will be getting substantial discounts compared to what they pay now. Studies show that **the fastest growing small businesses are the ones that provide health insurance.** So they will be able to create new jobs and expand their businesses.

You see, the whole problem with the way people get insurance today is that **the insurance companies have all the power, and small businesses and consumers get the short end of the stick.** My plan changes the market to give small businesses and consumers more bargaining power and really put them in the driver's seat.

A lot of small businesses that don't provide insurance want to -- they just can't afford it. Listen to Diane Welch of San Jose, California -- she owns an Italian restaurant there with 40 employees. She says -- this was in the newspaper a few days ago -- that she is looking forward to my proposal because it has bothered her that she and her husband couldn't afford to provide coverage for their employees. With the discounts, health care would finally be reasonable, she said. And she said of the price: "It's something we could definitely handle."

Let's look at what a low-wage small business might pay. For a small business whose employees make an average of $12,000 a year, they would only have to pay $420 a year per employee to get their employees comprehensive health benefits. In today's market, they might have to pay as much as $4000 per year per employee, but after reform, it's affordable because of the discounts which we are proposing for small businesses, Now compare that to the average big business, paying $2200 a year for each employee. We're talking about a discount of 80% for the small business.

When we look at what effect this will have on small businesses, one interesting example is Hawaii. Hawaii passed a plan in 1974, the Prepaid Healthcare Act, that requires all businesses to contribute to the cost of their employees' health insurance. But small businesses have continued to thrive. In 1991, Hawaii was the nation's third fastest-growing state for small businesses, and Hawaii's unemployment rates are consistently among the lowest in the country.

MEDICARE/MEDICAID SAVINGS

Q: **With all these cuts in Medicare and Medicaid, aren't you financing health reform on the backs of the poor/elderly?**

A: There's one thing that's important to keep in mind here: **older Americans will receive all the benefits they do today after health care reform.** If you're on Medicare, you will see little difference in where, how or from whom you receive your health care under the Health Security Act. This proposal does not involve cutting Medicare– it involves spending Medicare money differently, and increasing benefits for older Americans – prescription drug coverage and more options for home and community-based care.

When talking about these savings, we have to view them in the context of comprehensive health reform. We will **use the savings from Medicare for expanded benefits – prescription drugs and long-term care – and greater security for older Americans.** And we are talking about using the savings from Medicaid to guarantee universal coverage. So the savings in these programs goes right back to the people who these programs serve.

Now, specifically on the Medicare savings. Compare our plan to others out there, and you'll see that the Medicare savings are actually very reasonable. The main single-payer bill in the Congress (McDermott/Wellstone) projects $147 billion in savings over six years, we project $124 billion, and the Senate GOP bill estimates $92 billion. So we're in the middle of the range of what's out there right now.

Outside of the health care context, if Medicare payments were simply cut – so that a hospital was paid $100 for a service that they used to pay $150, the hospital is likely to simply charge everyone else $50 more, rather than try to control costs. Yet, within comprehensive reform, doctors and hospitals cannot simply pass on the costs because of limits on private sector premiums growth.

AN UNTESTED PLAN

Q: Isn't this plan untested? Should we really be using America for some kind of social experiment?

A: If we look at our international competitors and at models of reform around America, we know this can work. **There's no reason why other countries spend so much less than we do on health care - - and still guarantee comprehensive benefits for their people.** Look at Germany and Japan for a few examples. Germany and Japan have been able to keep the growth in their health care costs under control while ours have been growing at much faster rates.

Look at California, where hospitals have kept the rates at which their costs grow well below the national average in the last decade. Look at Minnesota, which has slowed their rate of growth of costs compared to other states as a result of reform which used competition to drive costs down. There's plenty of evidence out there in places that have made serious attempts to cut waste, reduce paperwork and red tape, and encourage competition that this can work .

MIDDLE-CLASS TAXES

Q: **Won't the Clinton plan burden the middle class with massive new taxes?**

A: Nothing could be further from the truth. **I specifically rejected any kind of broad-based tax** on the middle class because I believe that middle-class Americans are already paying too much for their health care.

There is already plenty of money in the system -- the problem is that much of it is wasteful. **We're not getting good value for our health care dollar.** I believe we need a modest amount of sin taxes, and everyone does have to take responsibility for the cost of their health care. But raising a lot of new money is not the answer when we've already got such a wasteful system.

PRICE CONTROLS

Q: **I heard that the plan contains price controls on the medical industry. Is that true?**

A: Not at all. I specifically rejected that approach, in part because it wouldn't really control costs and in part because I don't think it's right to do that to the doctors and hospitals that are providing the highest-quality care in the world.

We think that by limiting the insurance company premiums we can eliminate some of the overcharging and cut some of the waste that exists in the current system.

Look, whenever you hear some of these accusations about my plan -- these are price controls, you're going to take me from my doctor -- you've got to consider where these charges come from. And when the insurance companies are complaining about price controls, you've got to understand that these companies are worried that they're going to lose their ability to make outrageous profits off you and the current system if we pass reform.

MALPRACTICE

Q: **Will the plan have serious malpractice reform?**

A: Yes, the plan has serious malpractice reform to reduce lawsuits and let doctors practice medicine.

Everyone knows that the current system of malpractice needs to be changed. **In the current system, doctors are forced to spend too much time practicing what's called "defensive medicine"** -- performing extra tests because they're looking over their shoulders for lawyers. It's not helping to improve care or protect patients -- but it is helping to drive doctors out of the profession and pushing up costs.

My proposal will limit lawyers' fees in order to discourage frivolous lawsuits. If there's a legitimate concern about the care you get, then that's one thing. But what we've got today is too many lawsuits that just aren't legitimate.

Besides limiting lawyers' fees, the plan will also require patients and doctors to use alternative forms of dispute resolution before they end up in court. There will be out-of-court panels to hear disputes in order to reduce the number of lawsuits.

This is all a part of everyone taking more responsibility in our health care system. We say to lawyers: we respect your role as protector of the patient when he or she is treated badly, but you must be responsible and not file frivolous lawsuits. To make sure that doesn't happen, we're going to require that you try settling this out of court, and if you do go to court, we're going to limit your fees. We say to doctors: we're going to stop the lawyers and insurance companies from looking over your shoulder, but we're going to hold you accountable for delivering high-quality care. And we say to patients: even if you don't get the proper care, the answer is not always to go out and sue the first person you see. It's all about taking responsibility.

RATIONING

Q: **Won't these tight cost controls lead to health care rationing?**

A: **"Rationing" is the scare tactic used every time by those who don't want reform.** Let me emphasize that one of the principles of this proposal is to improve the quality of what is already the finest medical care in the world. **We're going to guarantee everyone comprehensive benefits, including preventive care**, so that we keep people healthy instead of waiting until they get sick. And decisions about your treatment will continue to be decided by you and your doctor. When opponents of the plan talk about "rationing," they're just trying to scare the American people.

Now, there will be limits on how much insurance premiums can go up. For that, I make no apologies. There's no reason why we can't stop the insurance companies from raising your premiums every year at two or three times the rate of inflation and still get the highest-quality care in the world.

RESEARCH AND NEW TECHNOLOGY

Q: **Won't the Clinton plan impair the development of new lifesaving drugs and medical technologies?**

A: No, the plan will encourage more of the research and innovation that has made American medical care the best in the world. The pharmaceutical industry will continue to develop new lifesaving drugs. Although we are asking the drug companies to hold their prices down, they will have plenty of new customers because prescription drug coverage is included in the comprehensive benefits package. **And the proposal is designed to encourage the development of new medical technologies – because it rewards high-quality care that keeps patients healthy.**

GOVERNMENT REGULATION

Q: **Doesn't the Clinton plan rely on heavy government regulation?**

A: No. **Nothing could be more confusing than the current system.** Hundreds of forms confront doctors, nurses and consumers at every turn. And doctors are constantly looking over their shoulder.

After reform, there will be less regulation of doctors, nurses and hospitals so that they can spend less time filling out forms and more time caring for patients. There will be, however, some more regulation of the insurance industry. We will stop insurers from refusing to cover people because of pre-existing conditions, make it illegal for an insurance company to raise your premium when someone in your family gets sick, and make it impossible for insurance companies to charge small businesses 35% more than big businesses.

I specifically rejected a government-run system, opting instead for a system rooted in the private sector and based on what we have today. Under my proposal, government will set standards, provide security and safety, and then get out of the way. My plan will free doctors from the avalanche of paperwork, and streamline the system. It will create a single claims form, give every American a Health Security card which will lead to electronic billing, and it will reduce regulation of doctors and hospitals to cut the unnecessary paperwork for doctors and patients.

DOCTOR CHOICE

Q: **Won't the Clinton plan prevent your family physician from deciding how best to treat you?**

A: No. **You will always be able to see your doctor and have your family doctor work with you to decide the best treatment to keep you healthy.** In today's system, doctors' decisions are too often second-guessed by insurance company bureaucrats and lawyers. Reform will free doctors from much of this second-guessing and paperwork and let them do what they do best -- care for patients.

After reform, doctors may join one or several different health plans. And **you can follow your doctor to any plan he or she joins**. The opponents of reform are using scare tactics -- telling you that the Clinton plan will separate you from your doctor -- in order to preserve the status quo. But make no mistake about it -- you will be able to see your doctor, and nothing any special interest says will change that.

PAY MORE AND GET LESS

Q: **Won't the Clinton plan result in people paying more and getting less?**

A: No. **The overwhelming majority of Americans will pay the same or less for the same or more comprehensive benefits.**

If you're young and healthy, you may have to pay slightly more for similar benefits to what you now have (if you have comprehensive benefits now). This is because of "community rating," whereby insurance companies will no longer be allowed to charge older, less healthy people higher rates than everyone else.

But the important thing to remember throughout is that **reform will give you something that no amount of money can buy: a guarantee of comprehensive benefits that can never be taken away.**

FORCING PEOPLE INTO MANAGED CARE

Q: **Won't the Clinton plan force all people into managed care?**

A: No. In fact, Americans will have increased choice under the health security plan. Everyone will be able to choose their doctor. And no one will be forced into anything. In fact, people will have increased choices of health plans. Today, just one in three employers with less than 500 employees offer any choice of health plan. And in an effort to cut costs, many employers have ben forced to move their employees into managed care plans. That will be impossible after reform.

Under reform, all Americans will be able to choose from among a traditional fee-for-service plan, a network of doctors and hospitals, or an HMO. Your boss or insurance company won't choose where or from whom you get your care -- you will.

WHY NOT SINGLE-PAYER?

Q: Isn't the Clinton plan administratively complicated and unduly costly? Wouldn't single payer be cheaper and simpler?

A: In designing my reform proposal, I reaffirmed an American principle: that **health care should be rooted in the private sector and respond to market forces.** Most people get insurance through their employer today, and that will not change under the Clinton plan.

Some have argued for a "single-payer" system. We are leaving it as an option for states to set up single-payer systems in their own state. But **we explicitly rejected a national, government-run system. In many countries that might be a good system, but to change to that kind of system now in America would require a massive tax increase and too much government.** I think that middle-class Americans are already paying too much for their health care. We can do better, and we will with the Health Security plan.

Q: Isn't the Clinton plan the worst combination of single-payer and managed competition?

A: No, in fact, I think it's a good blend of some of the different approaches out there. One of the important things in this process is that we looked at different kinds of approaches and models -- from Canada to Germany, from Hawaii to New York. So **this is an approach that draws on already existing reform efforts and models out there already.**

Now, some people ask: why not just propose a "pure" single-payer or managed competition plan. The answer is this: our proposal is based on the belief that **unleashing the forces of the marketplace -- allowing health plans to compete based on price and quality -- will help control costs and improve the quality of care.** Competition is the engine of reform, but as a backstop, to make sure that we achieve all the savings necessary to guarantee coverage, we put a limit on health insurance premiums -- a device more in line with the single-payer approach. If the market works as we expect, then the backstop becomes unnecessary.

I want to point out something else apart from the different theories. We have really tried to make this a bipartisan effort, and that is reflected in the proposal that we are presenting to Congress. **This proposal contains many ideas that have come from Republicans and have been in past Republican bills.**

- The idea that we should ask all employers to contribute to the cost of their health care was proposed by President Nixon in 1974. It was introduced by Senator Packwood at that time, and Senator Jeffords has also proposed a bill supporting the same idea.
- Senators Kassebaum and Danforth have limits on the growth of insurance premiums in their bill, as we do.
- Senators Chafee, Kassebaum, Danforth, Bond and Cohen all have proposed setting up these large purchasing pools -- or "health alliances" -- to give consumers and small businesses bargaining power in getting affordable insurance.

So this is not one idea. It is a uniquely American solution that will work for this country.

EMPLOYER VS. INDIVIDUAL MANDATE

Q: Why not just do an individual mandate instead of an employer mandate?

A: OK, let's look at what we're trying to do with reform and then talk about some of the different approaches and why we chose what we did.

Given that we want to guarantee everyone comprehensive benefits that can never be taken away, there are a couple of approaches as to how you could do that.

The first is, you could go with a single-payer system as they have in Canada. It achieves universal coverage, people can choose their doctor, and their system is simpler than the one we have now. But **to go to a single-payer system in America would mean turning a lot of the parts of the health care system that are currently in the private sector over to the government.** And it would also mean raising a lot of new tax revenue. And with all that we're currently wasting in our health care system, we didn't think that was the way to go.

Then some of the Republicans have proposed what's called **"an individual mandate"** – requiring all individuals to purchase insurance. Now **we agree with the idea behind this: that everybody should take responsibility for their health care, and everyone must contribute something to the cost.**

But the question is: how do you make sure that people actually go out and buy the insurance? **Most people agree that it would require some kind of new and intrusive bureaucracy to track down people** and make sure that everyone buys insurance, and that's not something we wanted to do. And **then there's the problem of how you prevent employers from just dropping people's coverage** once they realize that they're basically off the hook and don't have to provide insurance to their employees. And once employers start dropping people, that would mean we need more subsidies for low-wage people, which would mean a need for more taxes. So after really thinking this through, we decided that that was not the way we wanted to go.

We finally decided that **the best approach builds on the current system – a system where most people get their insurance through their workplace**, and if you're unemployed, the government helps out until you get back on your feet.

There is widespread support for this idea. **The United States Chamber of Commerce, representing hundreds of thousands of businesses all over the country, supports the idea, because they agree that everyone must take responsibility for the cost of health care in this country.** The AMA supports this idea, and so does the HIAA. The first person to propose this was President Nixon in 1974. It was introduced by Senator Packwood at that time, and Senator Jeffords has also proposed a bill supporting the same idea. So there is real bipartisan support for these ideas.

Right now, three-quarters of all employers cover their employees. And the businesses that cover their employees are paying for those that don't. When someone without insurance goes

to the hospital, don't think those costs disappear into thin air. Those costs are passed along to you, your business and every consumer in higher premiums, $20 Tylenols at the hospital, and higher Medicaid and Medicare taxes in every state.

So we ask all businesses to take some responsibility for their own employees. For low-wage small businesses who can't afford insurance, we will provide substantial discounts – **of up to 80%** – so that small business owners can finally get comprehensive coverage for themselves, their families, and their employees at an affordable price.

I'VE GOT GOOD INSURANCE

Q: **Why should I support this plan? I'm happy with my insurance, and so are most people I know.**

A: People who like their health insurance today have a lot to gain from the health security plan. First -- and most important -- they'll get something that no amount of money can buy in today's insurance market: security. Lose your job? You're covered. Want to change jobs? You're covered. Your child gets sick? You're covered. You just can't guarantee that today.

People who like their health insurance today will also get

- increased choices
- the chance to stop trading wage increases for the same health benefits
- preventive care benefits that will keep them healthy

Even those Americans who are satisfied with what they've got now have plenty to gain. And they'll probably pay less for high-quality care. **The bottom line is this: you can't guarantee that what you have today will still be there tomorrow. This reform proposal provides you with that guarantee.**

FINANCING

Q: **Isn't this financing scheme just 'smoke and mirrors'?**

A: No. From the beginning, I instructed my staff to take enormous care with the numbers that we used in estimating financing; to make sure that we have accurate, conservative, and valid numbers; and that we base our policy decisions on accurate numbers. We had all the federal agencies working together on this, and we brought in outside actuaries and economists to act as auditors. And I am confident that they have done the job and done it well.

People may have debates over policy, and that is fine. We finance our system largely from savings from the existing system and sin taxes, while others think that we should raise some kind of broad-based tax or payroll tax. That is not the route we have chosen, but there is bound to be disagreement. And we want to hear other people's ideas, Democrats and Republicans, on better ways to finance reform.

But there should be no argument on the internal validity of these numbers. We are comfortable with them, and we think they are a good starting point for debate.

Let me just walk you through the way we pay for this proposal.

First, we ask everyone to take responsibility and contribute something to the cost of health care if you don't pay anything today -- that includes employers and individuals. Most businesses cover their employees, and most people have insurance. But not everybody does, and those who don't are getting a free ride.

Second, we slow the growth of Medicare and channel every penny of those savings back into benefits -- specifically, prescription drugs and long-term care -- for older Americans. Third, we fold Medicaid and other government health programs into the new system, because we don't have to pay as much money to hospitals and doctors to compensate for caring for the uninsured. And then there will be some revenue that the government gains because with health care costs lower, there will be less money that is tax-deductible for employers. And finally, there will be some sin taxes to raise additional revenue.

SAVINGS

Q: **What makes you think that you're going to save money anyway?**

A: We know this can work. There's no reason why our international competitors spend so much less than we do on health care - - yet they insure all of their people and they provide richer benefits.

Let's look at Germany as an example. In Germany, they have managed to guarantee all their citizens health coverage while controlling health care costs. Germany's system is rooted in the private sector, and everyone has a choice of doctor. But they have managed to limit the growth of national health care costs -- so that now, their health care costs per person are nearly half the costs in the United States. There are a lot of elements of the German system that we are borrowing from in this reform proposal. And if they control costs, I don't see why we can't too.

I mean, who out there is going to tell me that there is no waste in the system? Who out there is going to tell me that there isn't overcharging? Who out there is going to tell me they've never heard of fraud in the health care system? Who out there hasn't heard about a hospital or lab being reimbursed for a test it never did or a patient it never saw? Who out there thinks we need all the paperwork that they make you fill out, that they make nurses and doctors and hospitals fill out? Who out there thinks the insurance company premiums should be rising at 2 and 3 times the rate of inflation?

[And then there's the savings that will come from prevention. Our comprehensive benefits package fully covers preventive care. And certainly it will save money to keep people healthy as opposed to waiting until they get sick -- that is one belief that we have and I know is shared by Dr. Koop and other leading doctors.]

So I say: instead of going to the American people and raising taxes for this thing, as some suggest, let's try and get some of this waste out of the system. I know other countries have done it, individual states have done it, and I think we can do it as well.

RURAL HEALTH

Q: What are we going to do to get doctors into rural areas?

A: Right now, two-thirds of rural counties do not have enough doctors. It's no wonder. Rural doctors provide more charity care than any doctors in the country, and they often get paid late. In many cases, rural doctors can't even take a day off because there isn't another doctor for miles around.

The plan will include incentives for doctors to practice in rural areas. Specifically, it will expand the National Health Service Corps and their loan repayment program, increase incentives for medical schools to train more primary care doctors, and give states flexibility to develop programs that are more responsive to rural needs.

The plan will also help break the isolation of rural doctors by encouraging networks with regional medical centers, hospitals and other doctors. By sharing skills through technologies like interactive video, it will give rural residents access to the kind of care once available only at major medical centers. And it will use nurse practitioners and other health profesionals to increase the availability of care.

In addition, the Health Security plan will give rural residents the bargaining power they need to get affordable coverage and access to high-quality care.

URBAN HEALTH

Q: How will this reform help people that live in cities get high-quality care?

A: First, by providing a comprehensive benefits package to all Americans that emphasizes primary and preventive care. In today's system, too many Americans end up in emergency rooms because they didn't get the primary care they needed. That's not right, it costs the system too much money, and we're going to change it.

And second, it will increase the number of doctors in urban areas by providing incentives for doctors to practice in cities and expanding the National Health Service Corps to reach more people in cities.

There will also be additional support for community and school-based clinics so that we really make an aggressive effort at prevention --keeping people healthy instead of waiting until they have to go to the emergency room.

VETERANS

Q: I'm a veteran. What's going to happen to my health coverage?

A: You will get all the benefits you get today, and you will get the same comprehensive benefits package as all Americans. Veterans will have the choice of either joining the VA health plan in their area or a health plan used by non-veterans. The VA will have the option of organizing its hospitals and clinics into health plans.

UNIONS AND HEALTH CARE

Q: I've got a good union plan. What's going to happen to me?

A: Millions of Americans have worked hard to get the solid health benefits that they enjoy today - - trading increases in wages in order to maintain the same (or reduced) health benefits. And millions are locked into their jobs; wanting to find better jobs but can't leave because they fear losing health insurance and not being able to get a new policy.

But even if you have an excellent health insurance package, you are not guaranteed coverage. Insurance companies hold all the cards: they can drop someone for almost any reason.

My plan does the following things for you:

Guarantees security. You will always have coverage even if you change jobs, lose your job, move, become ill, or have a preexisting condition.

Preserves benefits. The Health Security plan brings all Americans up to the comprehensive benefits package. For those with benefits more comprehensive than the federally guaranteed package, tax preference is preserved for ten years. Employers who do so today may continue to pay 100% of the premium, contribute to the coinsurance and deductibles and pay for benefits over and above the comprehensive benefits package.

Increases your choices. Today, only one of every three companies that employ fewer than 500 people offers employees a choice of plan. And rising health care costs and the bottom line are putting choice of at least three plans in every area: a traditional fee-for-service like many people have today, a network of doctors and hospitals, and an HMO-type plan. Individuals - - not their employers or benefits managers - - choose among health plans and providers.

Help restore lost wage increases. Millions of American workers will have their first real chance for wage increases in years. For two decades, rising health care costs have robbed American workers of wage increases they need and deserve. No longer will you have to negotiate away wage increases just to keep your benefits. Your benefits will be comprehensive and guaranteed.

Preserves Taft-Hartley trusts. Taft-Hartley trusts may continue to operate their own health plans or subcontract with health plans as they do today or they have the option of joining the regional health alliances.

ABORTION

Q: Does the plan cover abortion?

A: The comprehensive insurance package covers pregnancy-related services. Though abortion, like other types of surgery, is not specifically mentioned, most plans will cover it -- as they do now. Plans will cover abortions, as all procedures, when a doctor believes it is appropriate or necessary. Abortion coverage is not mandated, and a conscience clause allows doctors and health institutions, like a Catholic hospital, to exclude abortion coverage for moral or religious reasons.

What is new in this health plan is coverage for preventive care, including family planning, which should reduce the number of abortions which is our common goal.

HEALTH ALLIANCES

Q: Don't the boards of the health alliances offer plenty of opportunities for political corruption?

A: No. First of all, the plan has very strict rules preventing anyone associated with the health care industry from serving on the board of an alliance. Only representatives of the employers and consumers who receive coverage through the alliance can serve on the board. The board and the alliance will be held accountable, with all its workings in full, public view. If any problems were to develop, there would be a powerful constituency -- everyone who gets health care in that region -- with an interest in solving the problem immediately.

The alliance's responsibilties are limited. It acts as a purchasing agent -- and makes sure health plans meet certain standards. It cannot reject any health plan which meets the standards specified in the law; it must accept all qualified plans.

CHART 11

BENEFITS UNDER THE HEALTH SECURITY PLAN

COVERED:

- Hospital Services
- Emergency Services
- Services of Physicians and other Health Professionals
- Clinical Preventive Services
- Mental Health and Substance Abuse Services
- Family Planning Services
- Pregnancy-related Services
- Hospice
- Home Health Care
- Extended-care Services
- Ambulance Services
- Outpatient Laboratory and Diagnostic Services
- Outpatient Prescription Drugs and Biologicals
- Outpatient Rehabilitation Services
- Durable Medical Equipment, Prosthetic and Orthotic Devices
- Vision and Hearing Care
- Preventive Dental Services for Children
- Health Education Classes

NOT COVERED:

- Services that are not Medically Necessary or Appropriate
- Private Duty Nursing
- Cosmetic Orthodontia and other Cosmetic Surgery
- Hearing Aids
- Adult Eyeglasses and Contact Lenses
- In Vitro Fertilization Services
- Private Room Accommodations
- Custodial Care
- Personal Comfort Services and Supplies
- Investigational Treatments, (except for Medically Necessary or Appropriate Care provided as part of an Approved Research Trial)

Benefits Package: How the Health Security Plan Compares

The Health Security Plan's benefit package is as good or better than about two-thirds of the plans on the market today. Here are examples of how it matches up with the packages offered by a large Fortune 500 company and a standard Blue Cross/Blue Shield plan:

CHART 12

Health Security Plan	Fortune 500 Plan	Blue Cross/Blue Shield
No lifetime day or dollar limits. That means you get care when you need it, even if a serious illness leads to high doctor bills.	Lifetime maximum of 60 days for inpatient substance abuse.	Lifetime maximum on organ/ tissue transplants, mental health, and substance abuse.
Doctor's office visits/hospital outpatient: Either $10 copayment or 20% coinsurance per visit	20% coinsurance	25% coinsurance
Prenatal care: Full coverage	20% coinsurance	25% coinsurance

CHART 13

BENEFITS: THE HEALTH SECURITY PLAN COMPARED WITH CURRENTLY OFFERED PLANS

BENEFITS	HEALTH SECURITY PLAN		BLUE CROSS STANDARD, FEHBP	FORTUNE 500 COMPANY
	LOW COST SHARING (HMO)	HIGH COST SHARING (FFS)[1]		
Medical Plan Maximum	No lifetime dollar maximum limit	No lifetime dollar maximum limit	Lifetime maximum for organ/ tissue transplants, mental health and substance abuse	Lifetime maximum for inpatient substance abuse
Out-of-Pocket[2]	$1500 / individual $3000 / family maximum	$1500 / individual $3000 / family maximum	$3000 / individual $3000 / family	$1,000 per covered individuals - does not include deductibles
Deductibles	None	$200 / individual $400 / family	$200 / individual $400 / family	$200/individual $400/family
Inpatient Hospital[3]	Full coverage, no coinsurance no dollar or day maximum	20% coinsurance no dollar or day maximum	$250 per admission deductible No dollar or day maximum	Full coverage in-network; 20% coinsurance out-of-network
Doctors Office Visits, Hospital Outpatient	$10 copay per visit no dollar or visit maximum	20% coinsurance no dollar or visit maximum	25% coinsurance	20% coinsurance
Outpatient Lab	Full coverage	20% coinsurance	25% coinsurance	Full coverage in-network 20% coinsurance out-of-network
Emergency	$25 copay per visit, waived in emergency	20% coinsurance	Full coverage within 72 hrs. of accident	Full coverage - required plan notification within 48 hours
Preventive Services[4]	Full coverage, based on periodicity schedule	Full coverage, based on periodicity schedule	25% coinsurance 100% well childcare	not specified
Prescription Drugs	$5 per prescription	$250/year deductible 20% coinsurance	$50 deductible 40% coinsurance	20% coinsurance 50% coinsurance for drugs for treatment of mental or nervous conditions

1. FFS - fee for service
2. Deductibles counted toward out-of-pocket limits.
3. Mental health and substance abuse have separate provisions, see below.
4. Including well-child and prenatal care, periodic health exams, targeted tests and vaccines.

BENEFITS	LOW COST SHARING (HMO)	HIGH COST SHARING (FFS)	BLUE CROSS STANDARD, FEHBP	FORTUNE 500
Inpatient Mental Health (MH) and Substance Abuse (SA)[5]	Full coverage 30 day limit / episode 60 day annual limit	1 day deductible 20% coinsurance 30 day limit / episode 60 day annual limit	$250 per admission deductible; 40% coinsurance Unlimited days $3,000 maximum for substance abuse treatment program - 28 day max. $50,000 lifetime maximum	20% coinsurance pre-certification required Substance abuse: Full coverage in-network 20% coinsurance out-of-network; 30 days per stay; 2 stays maximum
Outpatient Mental Health and Substance Abuse	All outpatient except psychotherapy - $10 / visit Psychotherapy - $25 / visit; 30 visits annual maximum Hospital alternatives - full coverage; 120 day annual maximum	All outpatient except psychotherapy - 20% coinsurance Psychotherapy - 50% coinsurance; 30 visits annual maximum Hospital alternatives - 1 day deductible, 20% coinsurance; 120 day annual maximum	40% coinsurance; 25 visits annual maximum - includes partial hospitalization $50,000 lifetime maximum	20% coinsurance for employee 50% coinsurance for dependent Substance Abuse: 20% coinsurance, 30 visit maximum
Hospice	Full coverage	20% coinsurance	100% coverage for home hospice; $250 per admission for inpatient hospice with 5 consecutive day limit	Not specified
Home Health (HH)/ Extended Care (ECF - SNF and Rehab Hospitals)	Full coverage as inpatient alternative 100 day annual limit extended care facilities	20% coinsurance as inpatient alternative 100 day annual limit extended care facilities	25% coinsurance 25 visit limit for home nursing care	20% coinsurance
Routine Eye Exams, Eyeglasses	$10 per exam, or 1 set of glasses. Glasses limited to children only	20% coinsurance Glasses limited to children only	Not covered	Not specified
Preventive and Emergency Dental[6]	$10 / visit Preventive services limited to children < 18	20% coinsurance Preventive services limited to children < 18	Covered at fee schedule	Not specified
Prenatal Care	Full Coverage	Full Coverage	25% coinsurance	20% coinsurance
Outpatient Rehabilitation	$10 copay per visit; reassessed at 60 days for continuing improvement	20% coinsurance; reassessed at 60 days for continuing improvement	25% coinsurance 25 visit limit	Not specified
Durable Medical Equipment	Full coverage	20% coinsurance	25% coinsurance	Not specified

5. In 2001, inpatient and outpatient MH/SA limitations and higher cost sharing are phased out.

6. In the year 2000, adult prevention / restoration, orthodontia.

THE WHITE HOUSE

WASHINGTON

TOWN MEETING ON HEALTH CARE REFORM

To: President Clinton
From: John Hart, Deputy Assistant to the President for Intergovernmental Affairs
Date: September 22, 1993
Subject: Background Information on Health Care Programs in California, Florida, Illinois, and Massachusetts

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Summary

The health care reform efforts in California, Florida, Illinois, and Massachusetts differ most in regard to each states' commitment to achieving universal access.

Two of these states, Florida and California, are "progressive" states on the cutting edge of health care reform. California is the only state in the union with existing alliances. Florida is in the process of implementing a system of regional alliances which have many structural similarities to our plan, but significant political differences. (See attachment for details on California and Florida's alliance systems.)

The other two states, Illinois and Massachusetts, are typical of "middle of the pack" states. They recognize the need for greater access to health care, but have yet to demonstrate the political will to enact broad-based reforms.

Attached is background information on the alliance systems in California and Florida (including a summary analysis of their comparisons to our plan), as well as an overview of the health care systems in each of the four states.

CALIFORNIA

I. Background

The Uninsured

* 18.7% of CA's population, or 5.75 million residents, were without insurance in 1991, and an estimated 8.6 million (29% of the population) will be uninsured at some point in 1993.

* The average cost of health care for CA businesses was 35 billion for 1991 and is projected to reach over 81 billion by the year 2000. If costs continue unchecked, the trend would represent an increase of 810% in the 20 years between 1980 and 2000

* The average CA family spent $1,066 for health care in 1980. By 1991 that figure had increased to $4,433, and, at the current rate of growth, would reach $9,765 by the year 2000. This would represent a 486% increase over the 20 year period.

* There is a large percentage of people in CA working in occupations that normally do not provide insurance (inter alia -- agriculture, forestry, retailing)

II. Reform Climate

California has instituted sweeping reforms with the ultimate goal of ensuring universal access. These reforms include three approaches to managed competition which include many of the components of our plan.

Two of these programs, CALPERS and Mr. MMIB, are up and running. Both CALPERS and Mr. MMIB group employees together and offer them a choice of health plans. CALPERS (CA Public Employees Retirement System), the older of the two, is a health insurance program for state and local workers; this program is sometimes described as a prototype for managed competition. The more recent program, run under the auspices of a single statewide alliance board known as Mr. MMIB, is a small business health insurance purchasing pool. Significantly, both alliances differ from the plan's alliances in that membership is entirely VOLUNTARY.

The third major reform effort proposed by insurance commissioner John Garamendi and vetoed by Governor Wilson included features of both single-payer plans (income-related financing and a state health purchasing authority) and managed competition proposals (privately administered competing health plans delivering care.) Though hailed as

an innovative reform plan, CA's budget woes killed this program.

*See attached materials for more details on California's alliances.

III. Existing Health Care Programs

* Medicaid
~~The state~~ is in the process of extending Medicaid managed care -- in which enrollees must have all their care coordinated and approved by a provider -- statewide (MediCal). In past years, fraud and abuse in the MediCal program led to stronger regulation of the HMO industry. The state now has the largest number of Medicaid enrollees in managed care (HMO-type plans) in the nation.
Other Medicaid Reforms include:
  -- Expanded eligibility for women and children
  -- 28 optional services not mandated by federal guidelines

* EACH/RPCH (Essential Access Community Hospital/Rural Primary Care Hospital) is a joint federal-state effort to assure the availability of primary, emergency, and limited acute inpatient care services in rural areas where it is no longer feasible to maintain full-service hospitals.

* Regulation of Small Group Insurance
  -- Guaranteed renewal: requires insurers to renew coverage of all client companies, regardless of insurance claims or changes in health status
  -- Modified Community Rating: limits the extent to which experience can be used in setting rates
  -- Portability: a person moving between plans does not have to fulfill a new waiting period before being covered for pre-existing conditions.

* Scholarship and/or Loa n Forgiveness/Replacement Program
offers financial assistance to medical students for tuition, loans, or debts in return for practicing for a specified period of time in underserved areas or in specialties where there is a shortage of doctors.

* Health Insurance Risk Pools offer insurance to those who are unable to obtain health insurance at a standard rate due to pre-existing conditions.

FLORIDA

I. Background

The Uninsured

* 18% of Floridians, approximately 2.5 million residents, are uninsured.
  -- Many of these people are young, unskilled workers, retired persons, or migrant farmers.
  -- Almost 75% of this 2.5 million are workers and their dependents. Nearly 23% are children.
  -- There are 2 million Floridians who work, but whose earnings place them below the Federal poverty level. Accordingly, about 1/2 of the uninsured are below poverty and cannot afford the rising cost of health care.

* 95% of Florida's small businesses employ 25 or fewer people. The vast majority of Florida's businesses are small businesses (50 or fewer employees).
  -- 32.3% of those employed in businesses with 5-9 employees are without insurance.
  -- Firms with fewer than 5 employees, generally leave 60% uninsured.

* 49% of Florida's work force is in service industries and retail. These industries have a disproportionately high tendency to be uninsured.

Medicare

* Florida ranks second only to CA in Medicare spending, with total expenditures reaching 32 billion in 1990. It is projected that spending will hit 90 billion by the year 2000 without a comprehensive plan for health care reform.

II. Reform Climate

With the first two stages of a major reform effort enacted in 1992 and 1993, Florida is one of the sates jostling for the lead in health reform. Florida's objective is universal access to a basic package of health care, with a target date for universal coverage of December, 1994. Instead of mandates, it has taken a VOLUNTARY approach to expanding access that involved minimal state funding.

The 1993 law puts into place an entirely voluntary market-based version of managed competition with 11 Community Health Purchasing Alliances (CHPAs or "chippas") to work with businesses and Accountable Health Plans (AHPs).

Without being able to insure or contract, the CHPAs are to offer businesses (not individual employees) a menu of plans, individualized advice about the best plan for each CHPA member, and data measuring the efficiency and quality of each AHP. Critics of this weakened version of managed competition hold Florida out as an example of the need for strong Federal legislation.

III. Existing Health Care Programs

* Medicaid
  -- The 1993 law created Med-Access, a premium-paid low cost health insurance plan for individuals below 250% of the federal poverty index.
  -- The 1993 law also enacted pioneering legislation requiring all licensed HMOs to take part in the state's Medicaid program, unless they already enrolled a specified number of Medicaid or Medicare recipients.
  -- 23 Optional Services
  -- Instituted broad based provider taxes to generate funds for the Medicaid program.

* Children's Health Insurance Programs -- Florida "Healthy Kids": MedAccess is a premium paid, low cost health plan for individuals below 250% of poverty.

* Growth Limits on Facilities
  -- Certificate of Need Program
  -- Rate Setting
  -- Hospital Budget Review: hospitals are required to get approval if their budgets exceed a specified inflation factor.

* Scholarship and/or Loan Forgiveness/Replacement Program

ILLINOIS

I. Background

The Uninsured

* 13.6% of Illinoisans are uninsured; this is equal to , approximately 1.4 million residents out of a statewide population of 11 million.

Medicaid

* Illinois' FY 94 Medicaid budget is $4.6 billion. Given a total budget of $29.8 billlion, Medicaid represents 15.4% of state spending. This percentage has increased from 12.9% of state budget in FY 92, and 14% in FY 93.

II. Reform Climate

Although Governor Edgar convened a Task Force on Health Care in 1992, both the Task Force and the state legislature have refrained from making any large-scale health reforms until after the announcement of the National Health Security Act.

Governor Edgar's office expressed their interest in enacting health reforms "in tandem" with federal reforms.
To this end, the state Task Force plans to introduce interim recommendations on health care reform on March 1 of 1994 and plans to submit final recommendations in December of 1994. This final report will likely be the basis for creating Illinois' future health alliances.

III. Existing Health Programs

Although the state has refrained from making sweeping reforms, they do have several programs that enhance access and help to contain costs. These include:

* Medicaid
  - -- Expanded eligibility for women and children & presumptive eligibility for Pregnant Women:
  - -- Liberalized Medicaid income eligibility guidelines.
  - -- 26 optional services: the state offers Medicaid recipients 26 programs which are not required by federal law.
  - -- Optional Medicaid managed care program: requires that all Medicaid recipients' health care be approved by a primary care "gatekeeper" physician.

* Provider Taxes introduced broad-based taxes on facilities such as hospitals or nursing homes to generate funds for the state Medicaid program. (They are looking for an alternative source of revenue.)

* Medical High Risk Pools These programs offer comprehensive insurance policies for those who are unable to obtain health insurance at a standard rate due to pre-existing or chronic medical conditions such as cancer.

* Waivers of Insurance Mandates for Small Businesses: Designed to appeal to the owners of small businesses these basic, low-option ("no frills") policies are more affordable because they are stripped of some or all of the more costly state benefit and provider mandates. This program has been a failure, for the plans offer such bare bones coverage that they are not worth their cost to the consumer. (In 1 year, the state has sold fewer than 25 such plans.)

* Certificate of Need Programs: Introduced in 1975 these programs regulate the introduction or expansion of new institutional health facilities and services.

* Scholarship and/or Loan Forgiveness/Replacement Program: Offers financial assistance to medical students for tuition, loans or debts in return for practicing for a specified period of time in underserved areas or in specialties where there is a shortage of doctors.

MASSACHUSETTS

I. Background

The Uninsured

* 9% or approximately 500,000 Massachusetts are uninsured
* Approximately 60% or 300,000 of uninsured MA residents work in small businesses
* However, in MA, 66% of all small businesses provide some form of health insurance

Medicaid

* Projected FY '93 spending on Medicaid is $3.22 billion or approximately 18.7% of a 15.5 billion dollar state budget.

II. Reform Climate

Although every imaginable approach to reform has been placed before the Massachusetts legislature, the legislature has refrained from making any universal access reforms and is not expected to consider any in the remainder of the year.

In 1992 the legislature reversed or delayed many of the provisions of the pioneering the Health Security Act. Introduced in 1988, the HSA "Pay or Play" reform strategy would have required employers to either insure their workers or pay a tax to a state insurance program. In 1992, changes in the economic and political climate prompted the legislature to initiate alternative reforms that rely more heavily on the private sector. Specifically, the hospital rate regulation system that had been in place since 1975 was repealed, and modified community rating for small group insurance was enacted in that session.

III. Existing Health Care Programs

* Medicaid

  ~~The most~~ significant reform package introduced by the Weld administration is the MassHealth Managed Care program for Medicaid (authorized in 1992) which requires that recipients' health care be coordinated through a primary "gatekeeper" physician. Other Medicaid reforms include:
  -- Expanded eligibility for women and children
  -- MA offers 27 services not mandated by the federal government
  -- Provider Taxes, which are broad-based taxes on facilities such as hospitals or nursing homes, generate funds for the state Medicaid program.

* Regulations on Small Group Insurance include:
  -- Guaranteed Renewal, once a company is insured an insurer must renew its coverage.
  -- Modified Community Rating, limiting the extent to which a group's own experience or health status can be used in setting rates and sets limits on adjustments due to such factors as demography, age, gender, or industry.
  -- Guaranteed Issue, requiring that insurers doing business in the make coverage available to any group that applies regardless of the health conditions of their employees.

* Scholarship and/or loan forgiveness/Replacement Program

* Certificate-of-Need Program, since 1972, regulates the introduction or expansion of new institutional health facilities and services. Rate Setting is being phased out.

Alliance Summary Conclusions

The following is a summary description of existing state alliances as they compare to those proposed by the Health Security Act of 1993. This table compares regional health alliances under the Clinton plan with alliances under the California, Florida, and Washington health reform statutes.

Notably, once the health reform package is finalized, states that have already established alliances will have to reconcile their present alliance structures with the parameters set by Congress. However, these states should be reassured that their efforts were not in vain. When the health care reforms are enacted, states with pre-existing alliance systems stand to benefit from their skills, knowledge, and information. They will have staffs with expertise in performing alliance functions and they will have the capabilities and information systems necessary to negotiate with insurers and carries. In short, these states will be "ahead of the game."

* The Clinton plan envisions a powerful alliance, through which employers, employees, and individuals must purchase insurance.
    * The alliance not only negotiates with health plans over price, but it also collects and disburses funds, enrolls all eligible individuals, administers subsidies, distributes information to consumers, and participates in quality assurance activities.
    * States appoint alliance boards with 50/50 employer/consumer representatives. CA, FL, and WA vary from this framework.

* In Fl, CA, and WA, alliances are a purchasing association from which small businesses and individuals may voluntarily purchase insurance. Only CA has its alliance up and running; they are under development in FL and WA.

* Alliances in FL and WA have minimal powers compared to the Clinton plan:
    * Alliances do not negotiate premiums with health plans. Like the Jackson Hole proposal, alliances are an information broker, a price taker, not a negotiator as envisioned in the Clinton plan.
    * Moreover, in WA, the state expects that Blue Cross may seek to have a role as an alliance. Alliances are expected to emerge from the private sector -- the insurance commissioner will select the alliance from competing entities in the 4 regions.

Alliance Summary Conclusions (cont.)

* Mr. MIB in CA, in contrast, is an aggressive purchaser compared to its counterparts in FL and WA.
  * Mr. MIB is a single statewide alliance with 6 regional purchasing areas. The state argues that this gives them a negotiating advantage with statewide health plans and reduces administrative costs.
  * Mr. MIB has just started operations. It has enrolled small businesses and negotiated aggressively with insurers.

	PRESIDENT CLINTON'S PLAN	WASHINGTON'S HEALTH SERVICES ACT OF 1993	FLORIDA'S HEALTH CARE AND INSURANCE REFORM ACT OF 1993	HEALTH INSURANCE PLAN OF CALIFORNIA
I. STRUCTURE				
– State Oversight	States have flexibility in how they structure alliance -- but states are responsible for alliances.	Health Services Commission (HSC) oversees restructuring of health care market; an independent state agency with five commissioners appointed by the governor.	Agency for Health Care Administration responsible for oversight/certification of CHPAs; independent state agency	Major Risk Medical Insurance Board (Mr. MIB); independent state agency.
– Number of Alliances	State discretion to determine number of alliances.	Four regional Health Insurance Purchasing Cooperatives.	11 Community Health Purchasing Alliances (CHPA) in state. Each CHPA includes rural and urban component.	A single statewide health insurance purchasing pool for small businesses.
– Organizational Type	Options include: independent state agency, non-profit corporation, or agency of state executive branch.	Non-profit cooperatives which are member-governed and owned; certified by state insurance commissioner and subject to direction by HSC.	Alliances run directly by AHCA, with state-appointed boards	Mr. MIB acts as purchasing alliance.
– Criteria for boundaries	Alliance area must be large enough to negotiate effectively with plans. States may not concentrate minorities or subdivide MSAs.	Estimated that each alliance will have at least 150,000 members, covering urban and rural areas. HSC established regions.	Regions established in 1960s for Health and Rehabilitation Services Program	Six regions, reflecting geographic variation in health care costs. Regions were created for the Public Employee Retirement System.
– Board Composition	States establish mechanism for selecting alliance boards. Boards must include: equal number of employer and consumer representatives plus one member. Members represent employers, employees, individuals, self employed who obtain coverage through alliance. Alliance must also have a provider advisory board.	Washington Insurance Commissioner will select HIPC from applicants in regions. The HIPCs will be member-owned and governed.	17 members on each board; Governor appoints 9, Speaker of House appoints 4, Senate Majority Leader appoints 4. 11 business representatives (6 of 11 must be from small businesses), 3 consumer representatives, 3 government representatives	Board composed of 5 appointed members; Governor appoints three, Senate Whip appoints one, Assembly Speaker appoints one. Board members can be recalled by person who appointed them.
– Staffing		HSC will have 20 staff - not yet hired.	AHCA is operational. Staff counts not available.	Thirteen staff members responsible for policy development and implementation.
II. FUNCTION				
– Relationship with health plans	Negotiate with health plans to obtain premium bid within budget target. Alliance develops fee-for-service fee schedule. Alliance may not bear risk.	HIPCs offer all certified health plans in a region. After July 1995, no fee-for-service plans are allowed.	CHPAs act as clearinghouses and data analysis centers. They do not negotiate rates with Accountable Health Partnerships.	MR. MIB acts as a purchasing pool, and negotiates with health plans to get the best rates for its members. There are 15 insurers in the six regions which provide a standard benefit package.
– Enrollment	Alliance required to enroll all eligible individuals at annual open enrollment, including procedures for point of service enrollment.	HIPCs provide centralized point of enrollment for certified health plans in the region	CHPAs serve as centralized point of enrollment	Mr. MIB contracts with administrative agent to manage enrollment process.

	PRESIDENT CLINTON'S PLAN	WASHINGTON'S HEALTH SERVICES ACT OF 1993	FLORIDA'S HEALTH CARE AND INSURANCE REFORM ACT OF 1993	HEALTH INSURANCE PLAN OF CALIFORNIA
– Data Analysis	Participate in data network with plans, state, and federal government.	Certified health plans submit enrollee and provider information, including diagnosis and services provided, to HSC. HSC has policy oversight of statewide health care data system, which is operated by Washington Department of Health.	CHPAs review, analyze and rank the member Accountable Health Partnerships on the basis of services provided, rates, and quality of care	Health plans submit basic data set directly t Mr. MIB. Mr. MIB developing quality indicators, evaluating plans for access to care.
– Quality Assurance	Alliances resolve consumer complaints. Prepare comparative reports on plans. Educate consumers in using quality information to select plans.	HIPCs serve as ombudsman to resolve consumer complaints; prepare comparative information on health plans.	CHPAs develop grievance procedures for members/assure that health plans have grievance procedures; prepare comparative information on plans.	Mr. MIB serves as ombudsman for members and plans in certain instances.
– Consumer Information	Alliance regulates plan marketing, including review of materials. Alliance publishes comparative information on plans, including annual quality report cards, to help consumers select plans.	Washington Department of Health produces consumer information on services, costs, and quality of participating providers.	CHPAs provide members information on price, quality, patient satisfaction and cost sharing responsibilities for each Accountable Health Partnership.	Information about plan choice offered in enrollment package.
– Premium Collection	Alliances collect funds from employers, employees and individuals, and pay plans risk-adjusted premiums.	HIPCs collect and distribute premiums among CHPs.	Legislation allows for collection and distribution of premiums; initially not permitted by the AHCA	Administrative agent collects premiums for Mr. MIB.
– Plan Certification	States certify plans for conformity with federal and state standards. Alliance may only contract with certified plans.	The Insurance Commissioner certifies all health plans. Only certified health plans can offer benefits package after 7/95.	Accountable Health Partnerships submit proposals to CHPAs for provision of the standard and basic health plans.	Mr. MIB does plan certification, in consultation with California Departments of Insurance and Corporations.
III. ALLIANCE PARTICIPATION				
– Who is included?	All employers with less than 5000 full time employees; federal, state, and local employees; Medicaid beneficiaries; others have option.	HIPCs must allow any individual or group to participate. Businesses with over 7000 employees may join a HIPC or may act as their own health plan, provided that they meet state requirements.	Medicaid recipients, employers with fewer than 50 employees, and active and retired state employees are eligible to participate in the CHPAs.	360,000 small business are eligible for membership in the health insurance purchasing pool.
– Voluntary or Mandatory?	Mandatory purchase of health plan from alliance for selected groups.	Participation in a HIPC is voluntary; however, all individuals must be a member of a certified health plan by 1999. Purchase of insurance will be mandated, but employers do not have to purchase insurance through HIPC.	Participation is entirely voluntary	Participation is voluntary.
IV. PROVIDER CONTRACTING				

	PRESIDENT CLINTON'S PLAN	WASHINGTON'S HEALTH SERVICES ACT OF 1993	FLORIDA'S HEALTH CARE AND INSURANCE REFORM ACT OF 1993	HEALTH INSURANCE PLAN OF CALIFORNIA
– Exclusive Relationship with Health Plan?	Providers are free to contract with any health plan of their choosing. They may see non-alliance patients.	It is expected that all providers will be affiliated with at least one certified health plan, and they may be affiliated with more than one.	Provider participation in Accountable Health Partnerships is voluntary. Providers can offer services to both CHPA members and non members.	Providers are free to contract with any health plan of their choosing.
– Balance Billing	Not permitted after state implements system.	When providing services which are part of the uniform benefit package, balance billing is prohibited. Benefit package will be modest--state expects significant supplemental insurance market.	Balance billing is allowed for fee-for-service indemnity plans.	None.
V. HEALTH PLANS				
– Insurance Reforms	Community rating - except family status and geographic area; guaranteed renewal; no pre-existing condition exclusions.	The uniform benefit package is community rated, with adjustments for geographic regions and family size. After 7/95, plans must offer to continue enrollment for residents in their plan area. After 1/94, once an individual has met a pre-existing condition waiting period for one policy, they do not to meet another waiting period on a new policy.	Health insurance policies are community rated, with adjustments for age, sex, geographic location, family composition and use of tobacco products. Policies must be issued without regard to health status.	Policies are community rated, except family status, geographic region, and age status. Guaranteed issue/renewal for all employers with 5-50 employees. Waiting period for coverage for pre-existing condition cannot exceed six months.
– Payments to plans	Must be risk adjusted for age, sex, family size and health status	Risk adjustment system will be developed by HSC and proposed to legislature.		State task force currently developing risk adjustment methodology, which will be used retrospectively and prospectively.
– Incentives for participation?	States may offer plans incentives to serve disadvantaged groups, can also stimulate plan development in underserved areas.		State of Florida creates incentives for rural health networks and the State Health Service Corps.	
VI. IMPLEMENTATION TIMETABLE	States may enter system in three stages: 1/1/95, 1/1/96, and 1/1/97.	7/1/95 - HIPC must be in place.		
– How many years of experience?		Phase-in of employer mandate begins 1/95. Only certified health plans can offer uniform benefits package 7/95. Individual mandate for membership in health plan 1/99.	Managed competition introduced 4/93. CHPAs are to be in place 10/93. Insurance reforms begin 1/94.	MMIB started offering services in July, 1993.
– How many covered lives?				As of 9/93, there are 10,000 individuals covered.
– Track record in holding down costs?				

CALIFORNIA's HEALTH CARE ALLIANCE SYSTEM

California has one statewide alliance: the Major Medical Risk Insurance Board (MMIB, or "Mr. MMIB")

I. STRUCTURE

* The state is divided into 6 regions
  - These regions reflect geographic variation in in health care costs
  - They were established in the legislation that created the Public Employee Retiree System (PERS) which assists in the coverage of California government employees.
* All 6 regions are overseen by a single state board
* The board, Mr. MMIB, predated the alliance reforms.
  - It was initially established four years ago to help high risk consumers get insurance
  - It was decided that the board is a "natural place" to locate a broader purchasing alliance.
  - This board acts as a purchasing pool for: (1)the medically uninsurable; (2)uninsured pregnant women; and, (3)small businesses.
  - It is this final role (3), Mr. MMIB's function as a small business insurance purchaser, that is the topic of this analysis.
* The board is composed of appointed members.
  - 3 are appointed by the governor
  - 1 is appointed by the Senate Whip
  - 1 is appointed by the assembly speaker
  - Board members can be recalled by person who appointed them
* The board hires 13 staff members who are responsible for policy development and implementation
  - In addition, the board contracts out for other administrative functions. SEE BELOW

II. FUNCTION

* The purpose of the alliance is to negotiate with health plans to get the best rates for its members.
* MMIB sets a minimal benefits package for participating providers, and minimal and maximal rates (given experience and risk) for all insurers throughout the state (whether or not they participate in the alliance.)
* As some packages are not available in certain regions, MMIB determines which packages will be provided in each region. For example, Mr. MMIB currently deals with a total of 18 packages; only 14 are available in Sacramento; all 18 are available in Los Angeles. By allowing regional differences

in the number of packages available, the board allows more local HMOs to be involved.

II. FUNCTION

(Notably, all the packages submitted to the board in this, its first year, were accepted.)

* Finally, MMIB assumes responsibility for collecting premiums from the consumer, and passing them on to the provide. However, MMIB hires a private insurance contractor to administer this enrollment process.

III. MEMBERSHIP

* Membership is ENTIRELY VOLUNTARY
* Membership is available only to employees of small businesses.
* The definition of "small business" will change: A small business is currently defined as one that employs from 5 to fifty people; next year it will include those that employ 4 to fifty people; and in 1995 from 3 to fifty people.
* MMIB will not be extended to the self employed nor will it cover those employing 2 people. (There was a big fight over these exclusions, and MMIB lost)
* Those interested in enrolling can get information through an (800) number.
* Once an employer has enrolled his/her employees can choose from a variety of packages selected by that employer.
* At least 70% of employees in a given business must purchase coverage for the business to join the alliance. If the employer pays 100% of the premium 100% of employees must join. Employees can waive coverage by this employer. The majority of employees must be employed within the state.

IV. INSURER PARTICIPATION

* Insurer participation is ENTIRELY VOLUNTARY
* Mr. MMIB believes that insurers will want to join to gain access to the alliances' pool of consumers

V. ADVANTAGES of CALIFORNIA ALLIANCE SYSTEM

* Simplicity: members can enroll with one call to an (800) number, one administrative contact, one bill, one product brochure for all health plans, and the same application.

* Leverage: The alliance allows small businesses to "pool" purchasing power so that they can leverage more affordable coverage for employees. Small businesses can choose from more diverse and

competitively priced health care options By allowing for a partnership between health insurance companies and HMOs the pools help to enhance consumer choice.

VI. ADVANTAGES OF A SINGLE STATEWIDE ALLIANCE SYSTEM

* A single board increases the simplicity of the program.
* The centralization represented by a single statewide board allows for more careful and broad oversight of statewide programs.
* MMIB believes that, although regional alliances sound more politically palatable, the would create an opportunity for "game-playing and mix-ups" in the negotiation and bidding process.
* Administrative costs are lower with a single board. A single board also has more leverage with statewide plans.

DISADVANTAGES of ALLIANCE SYSTEM IN CALIFORNIA

* As membership is voluntary, many small business employees may be left uninsured.
* As there is no mandate for carriers to participate, the operation is complicated. HMOs and insurers not in the system could conceivably out-bid participating carriers and take most of the low-risk consumers. However, to avoid making the alliance a high risk dumping ground, California enacted legislation (concurrent with the health reform legislation that created this alliance system) reforming all health care programs for small businesses. This legislation placed limits on the rates and services that non-system carriers can offer to lure consumers away from Mr. MIB.

July 1993 - MMIB started offering services
September 1993 - MMIB has enrolled 900 businesses, they cover 10,000 individual lives, and have enrolled 10 employers who did not offer coverage prior to the establishment of the purchaser alliance.

California Alliances: CALPERS

I. STRUCTURE

* California Public Employees' Retirement System (CALPERS) is the pension and health purchasing agent for 890,000 California public employees and retirees.

* CALPERS has a board (NUMBER OF MEMBERS?). Alain Enthoven serves on the board.

* CALPERS recently adopted a standard benefits package and a more aggressive negotiating posture with insurers.

II. FUNCTION

* CALPERS consumers can participate in the cheapest plans at little cost to themselves. If they choose a more expensive plan, they must pay the difference--which can range from $2 to more than $100 a month.

* About 5% of CALPERS consumers switch plans in any given year. This number is comparable to the FEHBP program.

III. MEMBERSHIP

* California public employees and retirees.

IV. INSURER PARTICIPATION

* Insurer participation is VOLUNTARY. About 20 insurers and HMOs participate.

V. ADVANTAGES OF ALLIANCE SYSTEM

* CALPERS consumers receive a brochure comparing plans that will be revised to include additional information on services provided (e.g., % of children immunized, % of women receiving mammograms) that will be similar to our quality report card.

* CALPERS has had a very good track record on premium increases in the past several years (6.2% in 1992-3 and 1.5% for 1993-4). In prior years, rates of increase were in the 10% range.

* CALPERS negotiated a reduction of 2.2%-3.3% in 1993 Kaiser premiums. Kaiser is the single largest insurer in the CALPERS system, covering 40% of participants. CALPERS also froze enrollment in Kaiser due to a rate

increase of 10% in 1992. Kaiser attributes the low increase in 1993 to a reduction change in their benefit package to correspond to the standard package (increased copayments for physician visits and prescription drugs).

VI. DISADVANTAGES OF ALLIANCE SYSTEM

* CALPERS can effectively use its market power to negotiate good rates for its participants. However, unless costs are controlled state-wide, insurers can simply shift these costs to other payers.

EXAMPLES OF SAVINGS GENERATED BY MANAGED COMPETITION IN FLORIDA

Background

* In 1984, Orlando area's Central Health Care Coalition organized the region's large employers into one pool. (This region inclues 7 counties)
* Since 1984, they have used this combined size to leverage better, more accountable health care plans for their members.
* The group currently serves 81 businesses employing more than 150,000 people.

Managed Competition Successes:

* Since last year, Coalition's costs savings = 2% per hospital discharge. This translates to $19.2 million to $883.2 million given the 7-9% increase in cost per discharge.
* Orange County (Orlando) School District saved $1 million, or 11%, in hospital costs in 1992
* Longwood City employs 147 people. Signed on in 1991 & saved 26% over 1990 costs. No increase in cost in 1992 and 1993. In 1993-4 they will renew coverage at same price they paid in '91.
* Coalition members report premium savings 20-30% over two previous years.

Data Collection: Making the System Accountable

* Collection and evaluation of patient outcome data has ben an effective tool in promoting efficiency, and combatting graud and abuse in the health care system.
* Orlando Regional Medical Center/Florida Hospital:
  - •3 years ago the Coalition began data collection
  - •3 years ago ORMC was losing $12million/year on Medicare patients, it is now projecting a $500,000/year surplus.
  - •Jan 1993 Medicare costs were 7% lower than in Jan1992.
  - •1992-1993 Florida Hospital saved $30 million because the charge per adjusted admission decreased $602.
  - •In the 3 years, Florida hospital decreased use of ancillary services: Lab use = 2% decrease; diagnostic radiology = 4.2% decrease, CT scan 3.6% decrease, respiratory therapy = 2.4% decrease.
  - •Both pharmacy charges and average length/stay per patient are down for Medicare and for private pay. (More data must be gathered to determine whether patients are being discharged prematurely)

** Innovation: At one hospital, a chemical-filled perineal cold pack used to reduce abdominal discomfort costing $5.50 was replaced with a surgical glove filled with ice and wrapped in a towel.

Decrease C-Sections, Increase Vaginal Delivery

* Between 1990 and 1991, C-section rates throughout the state of Florida decreased 1.3%, a decrease of approximately 3,000 C-sections. Previously, Florida's C-section rate regularly exceeded the national average of 26.5%. C-sections approx. $6,500 approximately 3 times the cost of vaginal birth.

State Employee Pharmaceutical Savings

* Through the use of an on-line ultilization monitoring system, the State of Florida has yeilded additional savings. This computerized system cross-checks all patients to determine whether they are eligible for the program, and what medications they have been prescribed by other doctors. This enhances patient awareness of the dangers of drug interaction.

Hospital Networks: Miami, Fort Lauderdale, Palm Beach

* Hospitals that have long competed with one another -- adding unneeded and now empty beds, and compromising cost and quality-- have formed alliances to restructure services they offer a community.

Lee County Employee Coverage Bids

* In Lee County (Fort Meyers), the mereger of several hospitals allowed the network of allied hospitals (Columbia Hospital group) to offer a particularly low-cost health plan. The network submitted a $7.5 million package, $4.5 million below the county's current cost of approx. $12 million. (The contract has not, yet, been awarded.)

*** Although there are no examples of the savings resulting from the pure managed competition model, these examples forecast a positive outlook for the success of Florida's managed competition.

THE WHITE HOUSE

WASHINGTON

September 22, 1993

MEET & GREET WITH ELECTED OFFICIALS, FRIENDS AND SUPPORTERS

DATE: September 23, 1993
LOCATION: Tampa Performing Arts Center, Banquet Hall
TIME: 11:50 p.m. - 12:30 a.m.
From: Linda Moore, Political Affairs

I. PURPOSE

To greet elected officials, friends and supporters who have been invited by the White House to view the town hall meeting on site.

II. PARTICIPANTS

See attached list.

III. PRESS PLAN

Closed press.

IV. SEQUENCE OF EVENTS

* guests will arrive at 9:30 p.m. to watch the town hall meeting which begins at 10:00 p.m.
* you are scheduled to arrive at 11:50 p.m. following the town hall meeting and the taping of "Nightline."
* you will have approximately 40 minutes to meet and greet the crowd before departing for your hotel at 12:30 a.m.

V. REMARKS

No remarks necessary.

Attachment.

ABC TOWN HALL VIEWING AND RECEPTION ATTENDEES
TAMPA, FLORIDA
As of 9/23/93 12:00 noon

NAME	DESCRIPTION
Adler, Michael	President of Adler Group (real estate and developing); DNC Trustee
Apthorp, Jim	Early Clinton supporter; fundraiser
Aulisio, Lorraine	guest of Dennis Ross (event host) of Jim Walter Corporation (real estate); Democratic fundraiser
Austin, Marcia	Volunteer Coordinator for the Clinton/Gore Florida Campaign
Barnes, Eloise	Tampa Sheriff's office staffer
Batchelor, Dick	President of DBMG, a public relations firm; early Clinton/Gore supporter; Democratic fundraiser
Berger, Mitchell	Attorney, close friend of Vice President Gore, Co-Chair of April Vice Presidential Dinner in Miami, DNC Trustee
Berlin, Jerry	President, Deux Michel, Signature Gardens (large hospitality and event planning firm); Co-Chair, April Vice Presidential Dinner in Miami
Berlin, Brett	Son of Jerry Berlin
Bierley, Jack	Early Clinton/Gore fundraiser, attorney
Blews, Bill & Debra	President, Florida Bar Association and his wife
Bowers, Wallace	Realtor, Democratic fundraiser
Brown, Baird	Hillsborough volunteer coordinator for Clinton/Gore campaign
Bryan, Bob	President University of South Florida
Buckhorn, Bob	Chief of Staff to Mayor Sandy Freedman
Butterworth, Bob	Florida Attorney General
Castor, Betty	Florida Education Commissioner

Cejas, Paul	President of CARE Florida, the largest Hispanic owned HMO in the US; Cuban American; DNC Trustee
Ceraolo, Carla	Tampa Democratic activist; DLC member
Chapman, Joe	President, People's First Bank; early Clinton/Gore supporter
Cohen, Vanessa and Ron	Early Clinton/Gore supporters and volunteers
Cole, Lynn	Tampa Democratic activist
Collins, Jerry	Owner of dog racing tracks throughout Florida; Democratic fundraiser; DNC Trustee
Comkowycy, Sharon	Florida DLC Board Member
Cosgrove, John	Miami State Representative; has been extremely helpful with the Health Care Campaign
Courshon, Arthur	President & CEO of Jefferson Bank, former DNC Finance Chairman; DNC Trustee
Crawford, Bob	Florida Agriculture Commissioner
Crews, Meril	Media team spokesman for the Florida Health Care Campaign
Crotty, E. William and Valerie	DLC member; DNC Trustee and his wife
Daly, Tom	President, Ben Franklin Properties (Miami land development firm); friend of Governor Buddy MacKay
Davis, Jim	State Representative from Tampa
Dressler, Edde and Bob	Tampa democratic fundraisers
Dudley, Scott	Founder of Florida DLC
Dunn, John	Press Secretary for Mayor Freedman
Evans, Hazel Talley	Fundraiser/Democratic activist; guest of Florida Speaker-designate Peter Wallace
Fanjul, Alfonso	President, Flo SUN (sugar processing plant); Cuban American; DNC Trustee; Democratic fundraiser

Foreman, Austin	Guest of Mitchell Berger; Democratic fundraiser from Ft. Lauderdale
Foreman, Howard	State Senator from Broward County; Chairman of Senate Health Services Sub-Committee
Freedman, Sandy	Mayor, City of Tampa
Freedman, Michael	Husband of Mayor Sandy Freedman
Friedkin, Monte	President, Friedkin Industries; long time Democratic supporter; DNC Trustee; father of Dawn Friedkin, White House scheduling staff
Friedman, Arnold	President of St. John's Hospital, DNC Trustee, underwrote the President's Labor Day reception in Miami
Frost, Phil	President, Ivax Corporation (pharmaceutical); close friend of Vice President Gore
Gentry, Larry	Florida Democratic Party Trustee; chiropractor from Orlando
Glicken, Howard	President, Jillian's Entertainment, Commonwealth Group; DNC Trustee
Gonzalez, Mary	Hillsborough classroom teacher
Graber, Ben	Miami State Representative; helpful with the Health Care Campaign
Grisham, Duane	Cousin of the President
Grizzard, Bob	Florida DLC member
Gross, Ray	Democratic fundraiser; DNC Trustee; Clearwater
Hanna, Randy	early Clinton fundraiser and supporter
Harris, Julie	Florida Democratic Party State Committeewoman (Hillsborough)
Hightower, Mike	Vice President of Government Affairs, Blue Cross/Blue Shield; Clinton/Gore fundraiser
Hobby, Clyde	Attorney, Clinton/Gore fundraiser, Florida Democratic Party Trustee

Hogston, Garry	Local small busines owner (deli shop) who wrote to the President offering support
Hyatt, Kenneth	President, Jim Walter Corp. (real estate)
Juarado, Kathy	Assistant Secretary for Public Affairs at the Department of Veterans Affairs, Florida Clinton/Gore Press Secretary
Johnsey, Walter	Vice President, Celotex Corp; guest of Dennis Ross
Johnson, Bo	Florida House Majority Leader
Johnson, Bill	Florida Progress Corporation
Jordan, Blondie	President of Florida AFSCME
Joyner, Arthenia	Attorney; Clinton/Gore state Co-Chair; African American activist
Kautman, Dr. Ron	Guest of Jerry Berlin
King, Frank	Broker for Merrll Lynch; Democratic fundraiser
King, Kay	Executive Director for the Florida Teachers Union
Knapp, Cheryl Davis	DLC Board Member
Knowles, Steve	Pinellas County Democratic Chairman
Koch, Karl	DNC Florida State Director, Florida Clinton/Gore Political Director, former staffer for Lt. Gov. MacKay
Kramer, Tom	Real estate developer (South Beach, Miami); DNC Trustee
Lamela, Louis	
Lang, William	Celotex Corp, guest of Dennis Ross
Langton, Mike	Florida DLC Vice Chair; President Langton & Associates
Limberopoulos, Chris & Kathy	Florida Democratic Party Trustee and his wife Kathy
Lumpkin, Barbara	President, Florida Nurses Association
Lunskis, Tim	Political Consultant; early supporter and grass roots organizer

Lynn, Lynda	Democratic fundraiser in Tampa
Mack, Monroe	Pharmacist; Democratic activist; African American
Madden Sr., Don A.	President & CEO, Madden Group (hotel ownership and management), originally from Fayettevill, AR; DNC Trustee
MaRae, Maxine	guest of Dennis Ross
Marlin, Chris	Guest of Jerry Berlin
Marvin, Lynn	Hillsborough County Democratic Chair
McBride, Bill & Alex Sink	Senior Partner, Holland & Knight Law Firm; DNC Trustee; and his wife
Melgen, Salomon	Partner, Vitreo-Retinal Consultants (opthamologists)
Muller, Elio	Clinton/Gore Florida Hispanic Chair, Attorney
Nichols, Katie	Former member of Florida Public Service Commission; St. Petersburg fundraiser
Oppenheim, Sonny	Political Assistant to Mayor Freedman
Orseck, Jeff	Trial Attorney, Ft. Lauderdale, DLC Board Member/Founder
Peltz, Nelson	Trian Group, Ltd.; DLC member
Prosperi, Paul	Attorney, Georgetown classmate and personal friend the President, DNC Trustee and Democratic fundraiser
Pugh, Jim	President Epoch Properties (developer), Clinton/Gore fundraiser
Reed, Charles	Chancellor of State University System
Richard, Bob and Adele	Mother and Father of Paul Richard, Staff Secretary's office
Rosen, Marvin	Attorney, Florida Clinton/Gore Finance Chair, Co-Chair of April Vice Presidential Dinner
Ross, Chris	DLC member; DNC Trustee
Ross, Dennis & wife daughter Katy	President of Jim Walter Corp., DNC Trustee; early Clinton/Gore supporter; Democratic fundraiser

Sabin, John	Florida Democratic Party State Committeeman (Pinellas County)
Salcines, E.J.	Tampa Hispanic community leader; former Hillsborough State Attorney
Sanchez, Carmen	Clinton/Gore Volunteer Coordinator in Tampa; member of Florida Teachers Union
Saunders, Bob & Helen	Former NAACP Regional Representative; and wife Helen
Sheldon, George	Partner, Sheldon & Cusick (lobbyist and attorney) in Tallahassee; early Clinton/Gore supporter
Shimberg, Jim	Developer; Clinton/Gore fundraiser; daughter works for Mrs. Clinton
Silverberg, Jane	Owner, Silverberg Jewelry; St. Petersburg fundraiser
Smith, Myrtle	Florida Democratic Party State Committeewoman (Pinellas)
Smith, Garry	President, L. Garry Smith & Associates, Lobbying Firm; attorney; early Clinton fundraiser/supporter
Spector, Steven	Volunteer; early Clinton supporter; Law student
Stein, Jay	President and CEO of Stein Mart, department store chain, DNC Trustee; longtime friend of Vice President Gore
Thayer, Stella	Attorney in Tampa; Democratic fundraiser
Thomas, Pat	State Senate Democratic Leader; President-designate State Senate
Todd, Barbara	Pinellas County Commissioner and President of NACO (Republican)
Torano, Maria Elena	President, Meta Consultants (political consulting), DNC Trustee
Turley, Stu	CEO and President, Jack Eckard Corporation (retail pharmaceutical); endorsed Health Care Reform Plan
Tuthill, Doug	Pinellas Classroom Teachers
Wagner, Bill & Ruth	Partner, Wagner, Vaughn & McLaughlin, :Law Firm; DLC member; Whestone former Pres. of Trial Lawyers Association; Ruth is from Arkansas

Wallace, Peter	Speaker-designate Florida House of Representatives
Walter, Jimmy	CEO, Jim Walter Corp. (home builders/developers)
Weatherford, Roy	Democratic State Committeeman from Hillsborough County
Westbrook, Hugh	Chairman, Vitas Health Care; DNC Trustee; Democratic fundraiser; DSCC Finance Chairman
White, Gerald	Clinton Delegate at National Convention; Clinton/Gore Florida Volunteer coordinator
Wilson, Terry	Member, Hillsborough Teachers Association
Wyss, Tom	
Yangco, Bienvenidos	Medical Doctor

GUESTS OF ABC:

Arledge, Roone	President, ABC News
Bistany, Joanna	Vice President, ABC News
Murphy, Robert	Vice President, ABC News
Freedman, Paul	Executive Vice President, ABC News
Wald, Dick	Vice President, ABC News
Bettag, Tom	Executive Producer, Nightline

GUESTS OF CONGRESSIONAL MEMBERS:

Graham, Adele	Guest of Senator Graham
Sessums, Terrell	Guest of Senator Graham, Attorney
Gibbons, Mark	son of Congressman Gibbons
Gibbons, Tim and wife	son and daughter-in-law of Congressman Gibbons
Gibbons, Morgan	Guest of Representative Gibbons

Gibbons, Martha	Guest of Representative Gibbons
Bilirakis, Dr. Manuel	Guest of Representative Bilirakis
Roark, Trent	Administrator of St. Luke's Cataract Surgery, guest of Representative Bilirakis
Maistrellis, Dr. William	Vascular Surgeon, Clearwater, guest of Representative Bilirakis
Thurman, John Patrick	Judge 5th Judicial Circuit, guest of Representative Thurman
Battista, Mario	Guest of Representative Thurman
Ross, Warren	Guest of Representative Thurman
Spoto, Dr. Angelo	Guest of Representative Canady
Drake, Dr.Frank	Guest of Representative Canady
Stephens, Jack	Guest of Representative Canady

THE WHITE HOUSE

WASHINGTON

September 22, 1993

CRIME EVENT – ST. PETERSBURG BEACH

DATE:	**Friday, September 24, 1993**
LOCATION:	**Pinellas Marine Institute, St. Petersburg, FL**
TIME:	**9:30 a.m.**
FROM:	**Liz Bernstein, Communications Research**

I. PURPOSE

To address the rise of violence and the need for community and individual responsibility.

II. BACKGROUND

The recent rash of crimes involving tourists in Florida is getting a great deal of national media coverage but still represents only 3.5% of total crime in Florida so far this year. In addition, their youth involvement in overall criminal activity is increasing, a reflection of the national trend in this direction. More than 50,000 Florida children were charged with felonies during 1992.

Associated Marine Institutes

The Pinellas Marine Institute (PMI) in St. Petersburg Beach is one of 35 community-based programs for delinquent teenagers in the nation. It operates under the management of the Associated Marine Institutes, a private non-profit youth organization founded 24 years ago with partial funding from the Florida Department of Health and Rehabilitative Services (HRS).

Each of the 35 programs are governed by a group of community leaders. They are a good example of how the community, private agencies and the government can work together.

In seven states, including Arkansas, HRS and state juvenile agencies have teamed up with the marine institutes to help work with over 20,000 teenagers. Thousands of youths have completed the six-month program and obtained high school diplomas or equivalency certificates.

The organization has been cited a number of times for being among the most effective juvenile rehabilitation programs in the country.

Your crime proposal authorizes funds to support programs such as the Marine Institute.

Pinellas Marine Institute
The Pinellas chapter was established in 1972. Since then, over 2,100 kids have been served by the Institute. Among the things taught are seamanship, scuba diving, and environmental science, with an eye towards employability skills. Special emphasis is also on developing a positive work ethic.

To be at PMI, participants must not be considered "serious offenders" or beyond rehabilitation. It is not a place for treating substance abuse or reforming violent criminals.

All students enter as boots and, by earning points and instructor approval, are promoted to seaman, bosun, chief and ensign. Most stop moving up at bosun, the minimum rank necessary to graduate.

75% of these kids have no criminal convictions after participation.

One thing to note: The Pinellas program has at times been unpopular with its neighbors, who fear they will become victims of crimes committed by students who attend the center.

Community audience
There has been a concerted effort on the part of the St. Petersburg police chief, Daryl Stevens, and Attorney General Reno's office, to include representatives of a wide range of community organizations. Chief Stevens is also noted as being one of the nation's strongest advocates and practitioners of community policing.

III. PARTICIPANTS

President Clinton
Attorney General Reno
Governor Chiles
Senator Graham
FL Attorney General Rob Butterworth
FL State Senate President Pat Thomas
FL House Majority Leader Bo Johnson
St. Petersburg Mayor Pete Fischer
St. Petersburg Beach Mayor Mike Horan
Mentor organizations

Big Brother/Big Sister
Boys Club
Neighborhood Watch organizations
Community policing groups
Seniors
Educators
Religious groups

IV. PRESS PLAN

Open press.

V. SEQUENCE OF EVENTS

You and Attorney General Reno will be greeted by an adult staff member and two or three kids in the program on the wharf adjacent to the Institute. The kids will walk you down the wharf to the rest of the teenagers in the program. They will then spend a few minutes showing some of the skills they have learned in the program.

You will then go to a backstage area and join Governor Chiles and Senator Graham for a few minutes and then all four of you will walk on stage.

(There will be a pre-program of St. Petersburg Beach Mayor Mike Horan and Congressman Bill Young addressing the crowd)

The order of speakers will be:
Senator Graham
Governor Chiles
Attorney General Reno
President Clinton

VI. REMARKS

Remarks will be provided by the speechwriting department.

Wilkie draft of 9/23/93 1:00 p.m.

The President of the United States
Pinellas Marine Institute
St. Petersburg Beach, Florida
Friday, September 24, 1993

Of all the threats to our nation abroad and at home, one of the greatest threats to our future is insecurity. Our society is burdened by too much fear today: fear that somebody might take my health care away; fear that somebody might take my job away; fear that somebody might take my life away.

Where these fears persist our people are not free. We must conquer these fears and take control over the great forces that shape the way we work and live.

For years the deficit spiraled out of control, and no one did anything real about it, until we passed our deficit reduction plan this year. We showed that America doesn't have to run from its problems, that we could take the difficult, but necessary step to protect our national economic security.

For decades, our health care costs have spiraled out of control, and millions of our people have lived in fear of losing health care. No one will have done anything about it for every American until we pass our plan. We're going to guarantee you health care security. We're going to pass a law that says nobody can take your health care coverage away. Ever.

If we ever want to be a healthy nation with a health care system we can afford, if we want to stop wasting tax dollars on unnecessary costs, then we must gain control over the violence that claims too many lives today.

This is not a problem in Florida alone. This is a national epidemic.

Floridians and Americans nationwide share a visceral anguish over the senseless murders that have captured our attention in recent weeks. We should be outraged at every act of violence across America today, regardless of the color of the victims' skin, or the country of their birth.

Earlier in the summer, our country was shocked and saddened when Michael Jordan's father was shot and killed. But who mourned the twenty-two others killed in Robeson County, North Carolina, this year? No, they weren't celebrities. Nor were they tourists from abroad. They were our neighbors; and to most of us they remain unknown.

When I was born, homicide was not even on the list of the ten leading causes of death in America. In fact, throughout my lifetime, homicide never made it to that list until 1989. Today, homicide is the second leading cause of death for Americans aged 15 to 25, and more of our teenage boys die from gunshots than from any other cause.

The day after the Rev. Martin Luther King Jr. was shot and killed, Robert Kennedy

said this about violence in America: "Some look for scapegoats, others look for conspiracies, but this much is clear: violence breeds violence, repression brings retaliation, and only a cleansing of our whole society can remove this sickness from our soul."

Every country in the world has its sinners and its saints. No society is free of wrong. But the moral test of any society is how its people overcome it.

American society has undergone tremendous changes in our lifetimes, but as crime and violence have risen, many have retreated. They've gone inside. Locked their doors. Turned on the television, and tuned out.

Law abiding citizens imprison themselves in isolation, while future criminals wean themselves on the bitterness of alienation. Too many young men are growing up without fathers in streets without laws facing lives without hope.

Americans of all races and walks of life are being numbed to disregard the humanity that surrounds us. As my friend Senator Moynihan, of New York, has put it: "we are getting used to a lot of behavior that is not good for us."

He's right. Security begins with responsibility. We should ask more of our neighbors. We should expect more of our children. We should demand more of their parents.

For years, people on the right have said, "Let others worry about themselves." And for years, people on the left have said, "Let government take care of it all." Both of these sides are wrong. Governments don't raise children -- parents do. But people can't raise children in isolation. They need support from active community lives that teach and thrive on mutual responsibility.

If there is a silver lining in these clouds it is this: violence doesn't have to be a wedge used to divide Americans for political gain. It can be a cause that brings us together.

That's what this Marine Institute is about. You are giving young people a chance to take their future back, showing them that life has meaning beyond gangs and drugs, teaching them that actions have consequences, that responsibility brings rewards, respect and self-esteem; and you have let them know that they belong to a community, an identity larger than themselves.

St. Petersburg's Chief of Police, Darrell Stephens, has been one of the nation's leaders in community policing, changing the way law enforcement approaches crime -- moving from old ways of reaction to new ways of prevention, working with people in the places they call home.

In communities all across America, brave mothers and fathers and neighbors are joining together to drive crack houses from their blocks. They're pushing for better lighting

on their streets. And they're speaking up to let the entertainment industry know that it ought to be ashamed of all the violence and disrespect for human life that our children are exposed to on the tube every day.

In the fight to control violence, state governments should be applauded too. Just last week in Colorado, my former colleague Gov. Roy Romer signed a law that prohibits juveniles from owning handguns. He joined Gov. Florio, of New Jersey, and the 17 other states that have passed that law this year.

While these constructive measures have been taken across the states, more people in Washington talk tough about crime than do anything to stop the violence. You're sick and tired of hearing politicians say "enough is enough." It's time to back up tough talk with real action.

We're the only nation on earth that lets teenagers roam the streets at random with assault weapons and be better armed than our police. It's time to put an end to that.

Like the young people here today, America's young people should be learning new skills -- and killing other people should not be one of them. I've talked to children in this country whose greatest fear is getting shot on the way to and from school. It's time to put an end to that.

I will fight to pass the crime bill introduced yesterday by Senator Joe Biden, of Delaware, and Congressman Jack Brooks, of Texas. It puts 50,000 more police officers on the streets. It streamlines the process for death penalty appeals to bring the system under control. It will help give citizens who obey the rules a criminal justice system where criminals get caught, the guilty get convicted, and the convicted go punished for their crimes.

This crime bill also expands support for places like this Institute -- and places like the boot camps for juvenile offenders we did in Arkansas -- which teach young people responsibility, and give them drug treatment if they need it too.

And finally, once and for all, it's time to pass the Brady Bill. Before anyone in Washington asks you to exercise discipline on your streets, you ask them if they've exercised discipline in the nation's capital.

Our administration has already brought discipline to the budget process. We're going to bring discipline to the health care system. Help us bring some discipline to our streets and our schools when it comes time for Congress to vote on that crime bill.

All of you here in St. Petersburg, Florida, have shown America that to protect our personal security, we must begin to restore our belief in community and responsibility. There is plenty of work and plenty of opportunity for us all. Together, and for the sake of all our children, please help me free our people from this fear. Thank you and God bless you all.

THE WHITE HOUSE

WASHINGTON

September 23, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
JOSE CERDA III

SUBJECT: UPDATE ON CRIME BILL INTRODUCTION

Thursday, Senator Biden and Chairman Brooks introduced a modified versions of last year's crime bill conference agreement, which the House and Senate leadership have agreed to consider this fall. Your community policing initiative is the first title in both bills.

Here is a brief summary of the issues:

Brady Bill -- The Brady Bill, which mandates a national 5-day waiting period for handgun purchases (until replaced by an instant-check system), is included in the House crime bill. The Senate will take up Brady as a stand alone bill during the crime bill's consideration. We have told the House and Senate that Brady is a must-pass provision for us.

Community Policing -- Title I of both crime bills is your community policing initiative, which authorizes $3.4 billion to put 50,000 more police on the street "in community-oriented policing." (Several other programs will help keep your 100,000 cops campaign pledge -- National Service, Safe Schools, Empowerment Zones, Troops-to-Cops, and HUD's COMPAC legislation.)

Assault Weapons -- An assault weapons ban is not included in either crime bill as introduced, but we can make sure that an assault weapons amendment is taken up when the crime bills are considered.

Habeas Corpus Reform -- You and the Attorney General have expressed support for Senator Biden's legislation to reform the death penalty appeals process. The legislation will -- -- for the first time -- place a six-month time limit on filing a habeas petition, while at the same time providing defendants with counsel that meets rigorous performance and experience standards. Chairman Brooks' habeas title varies slightly from Senator Biden's.

Safe Schools -- Both crime bills include a Safe Schools provision similar to the Administration's proposal, which allows local educational authorities to apply for emergency funds to build metal detectors, hire police and security personnel, implement anti-violence and anti-drug curricula, and other activities. Secretary Riley's bill would fund the Safe

Schools Initiative through the Department of Education and is included in your budget. Representative Schumer's Safe Schools program would be administered by the Justice Department's Bureau of Justice Assistance and is not factored into Justice's budget.

Mandatory Minimums -- No new mandatory minimums are included in the crime bill as introduced, but neither is any language to repeal or "fix" already existing mandatories. We have asked the Attorney General and other interested parties to consider this issue outside of the crime bill context and in a bipartisan fashion.

Boot Camps and Drug Treatment -- Both crime bills include a series of programs to promote states' use of boot camps, criminal justice drug treatment and testing, and "Certainty of Punishment." Certainty of Punishment includes programs, like the Marine Institute, that work to ensure that juvenile offenders receive meaningful punishment the first time they encounter the criminal justice system, not repeated unrestricted parole or probation before finally ending up in prison. These programs also offer these kids a chance to educate themselves and learn vocational skills.

Death Penalty -- The House and Senate bills include 47 new death penalty categories with a uniform set of death penalty procedures for implementation. The controversial non-homicidal death penalties (i.e., for so-called drug kingpins) in last year's bill have been deleted at the Attorney General's request, but they are likely to be attached at a later point. Thursday's Washington Post references this deletion and says that Republicans will make this an issue. For the record, Justice has voiced "constitutional concern" about these non-homicidal death penalties, but it has not declared them "unconstitutional" -- in other words, you will not have to veto a bill that includes them.

Police Corps -- Both the House and Senate will include a Police Corps, but at different authorizations levels. The House includes a $25 million per year Corps -- as included in your budget -- while the Senate's Corps will cost $100 million in the first year and "such sums" thereafter.

Regional Prisons -- Last year's crime bill included a costly proposal to establish 10 regional, state-federal prisons for drug offenders. OMB and Justice were very concerned with the cost of this proposal. It has been pared down significantly and changed to a federal grant program to help states establish multi-state prisons. House and Senate Republicans are sure to make prisons their defining issue during the crime bill debate.

THE WHITE HOUSE

WASHINGTON

September 22, 1993

MEMORANDUM FOR THE PRESIDENT

THROUGH: Sylvia Mathews

FROM: Paul Deegan
National Economic Council

SUBJECT: Background Information for Visit to Florida

This memorandum presents background information about current conditions and issues in Florida. It addresses (i) economic conditions in the state, (ii) pressing issues in the state, and (iii) Administration programs that would benefit the state.

I. ECONOMIC CONDITIONS IN FLORIDA

- The recovery in Florida has been slow. Unemployment hit 8.8% in 1992 -- well above the national average.

- The July 1993 unemployment rate was 7.0% -- slightly above the national average of 6.8%.

II. PRESSING ISSUES IN FLORIDA

- ***Navy Contract with Tampa Shipyards Inc.*** -- Please see John Goodman's memorandum (attached).

- ***MacDill Air Force Base Realignment*** -- The 1993 Defense Base Closure and Realignment Commission (BRAC) recommended that the airfield be taken over by DoC or another Federal agency. DoC is pursuing transfer of the field from the Air Force to support NOAA aircraft operations. The transfer is expected to occur on April 1, 1994.

  In 1991, the Office of Economic Adjustment at DoD supported Tampa's planning grant request for $137,000; the local contribution was an additional $48,000.

- ***Base Closure*** -- As a result of BRAC's 1993 recommendations, Florida will lose nearly 10,000 military jobs and 2,600 civilian jobs. (Source: BRAC)

Largest Losses **Facility**	**Military**	**Civilian**
Naval Training Center Orlando	-8,700 jobs	-750 jobs
Naval Air Station, Cecil Field	-6,800 jobs	-1,000 jobs
Homestead Air Force Base	-3,900 jobs	-140 jobs
Naval Aviation Depot Pensacola	-300 jobs	-3,400 jobs
Naval Hospital Orlando	-760 jobs	-350 jobs
Largest Gains		
Naval Air Station, Pensacola	+7,600 jobs	+500 jobs
Naval Station, Mayport	+2,100 jobs	+10 jobs
Naval Aviation Depot, Jacksonville	+200 jobs	+1,700 jobs
MacDill AFB	+250 jobs	+360 jobs

- FYI: Florida ranks 4th in the number of Technology Reinvestment Program (TRP) proposals.

- ***Erosion of the Manufacturing Base*** -- Employment in manufacturing fell from 557,000 in 1989 to 516,000 in 1991 -- a net loss of 41,000 jobs. (Source: DoC)

  Sectors Hit Hardest:

  - transportation equipment, excl. motor vehicles -10,000 jobs
  - stone, clay and glass products -5,000 jobs
  - fabricated metal products -4,000 jobs
  - electronic equipment, excl. computer equipment -3,200 jobs

  FYI: The National Performance Review calls for the establishment of a manufacturing technology data bank to help firms increase their technical capabilities.

- ***NAFTA*** -- 32,600 jobs in Florida are supported by exports of manufactured goods to Canada and Mexico. Exports to Canada and Mexico reached $2.3 billion in 1992. Florida's merchandise exports to Mexico tripled from 1987 to 1992, rising from $219 million to $664 million. (Source: USTR)

Florida's Exports to Mexico, 1987-1992 -- Thousand $ (Source: DoC)

	1987	1992	% Change
Total Exports to Mexico	219,000	664,000	203%
Industrial Machinery & Computers	71,000	144,000	103%
Electric and Electronic Equipment	14,000	74,000	425%
Rubber and Plastic Products	1,300	16,000	1168%

- ***Construction Industry Has Been Hit Hard*** -- Employment in the construction industry fell from 462,000 in 1989 to 400,000 in 1991 -- a net loss of 62,000 jobs. Permit authorized new residential construction fell from 165,000 units in 1989 to 102,000 units in 1992 -- a decline of 63,000 units. (Source: DoC)

III. ADMINISTRATION PROGRAMS THAT WOULD BENEFIT FLORIDA

According to Treasury estimates, based on a variety of demographic and economic data, your economic growth plan for Florida (1993-1998) includes the following:

- $1,041 million investment in worker training and higher education;
- $740 million investment in health and AIDS research;
- $659 million investment in highways, mass transit and environmental infrastructure;
- $624 million investment in schools and children;
- $550 million investment in technology (including defense conversion);
- $778 million investment in housing and communities;
- $465 million in tax incentives for business investment; and
- $1,561 million in tax credits for the working poor (EITC).

Expanded EITC (fully phased in)

Rep.	EITC Benefits	$ (millions)	% Families	Higher Taxes
Bilirakis	33,700 families	58.8	20.5	3,600 families
Gibbons	49,200 families	85.7	34.1	2,900 families
Young	47,500 families	82.9	30.7	3,100 families
STATE	**895,400 families**	**1,561.4**	**25.3**	**87,800 families**

- ***Your Economic Growth Plan Will Create Jobs in Florida*** -- Treasury estimates your economic growth plan will create over 1,000,000 new jobs from 1993-1996 -- almost 300% more jobs than were created from 1989-1992.

THE WHITE HOUSE

WASHINGTON

September 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: John Goodman (NEC)

SUBJECT: Picketing at the Tampa Arts Center Event to Protest Navy's Decision to Terminate Contracts at Tampa Shipyards

At tomorrow's Tampa Arts Center event, Congressman Gibbons' office informs us that approximately 800 Tampa Shipyard workers will be picketing to protest the Navy's decision to terminate its contract for two ships. (The Scheduling office does not see this as a major problem due to your underground arrival.) However, we wanted you to have this background memorandum in case the issue is raised.

Background

In 1989, Tampa Shipyards, Inc. was awarded a contract to complete two oilers, which had been left unfinished by the default of another yard. After Tampa Shipyards missed a number of deadlines, the Navy agreed to extend the delivery dates and increase the contract price several times in the hope of completing the ships. On two occasions, the Navy issued "cure notices" which cited specific performance problems and requested plans for their amelioration. As a result of the first notice, the FY93 DOD Appropriations Act provided an additional $45 million for the ships, which led to an immediate cash payment of $12 million. However, the yard made little progress and experienced even greater financial difficulties.

The Navy found Tampa's response to the last cure notice unsatisfactory. On August 25, 1993 with projected costs double the contract price and delivery still more than a year away, the Navy terminated for default. On August 31, Tampa was granted the unusual opportunity to propose a plan for reconsideration, which the Navy is now reviewing. The Navy must decide whether, in light of the Bottom Up Review, it still needs the ships and whether Tampa's new plan offers the least expensive path to completion. Pending that review, the Navy moved the ships outside the yard--to prevent their sequestration in the event that Tampa filed for bankruptcy.

Suggested Response

I know that Tampa Shipyards has faced a number of difficulties. However, I understand that the Navy is currently reviewing Tampa's request for reconsideration of this decision. Like all of our shipyards, Tampa is confronting a major challenge due to the downsizing in the defense budget. As military orders decline, yards will have to compete in commercial markets. Because of this, last spring, I established an interagency committee to develop a plan to assist our yards in that effort. We are working through the details, and I'll be submitting that plan to Congress by early October.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

September 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KIMBERLY O'NEILL Kimberly O'Neill

SUBJECT: Talking Points on the Florida Economy

Driven by tremendous population growth (nearly four times the U.S. average), the Florida economy has grown much more rapidly than that of the Nation as a whole over the past two decades, although the State did fare worse than the Nation in the latest recession.

- o From 1970 through 1992, employment in Florida grew at twice the rate of that in the United States, averaging 4.2 percent per year (Chart 1). After slipping in 1991, job growth in Florida again out-paced the Nation in 1992.

- o Unemployment in Florida was 7.0 percent in July 1993 (Chart 2). Throughout most of the 1980s, Florida's unemployment rate was below that of the United States. Since 1989, however, unemployment in Florida has generally been at or above the national unemployment rate.

- o Living standards in Florida are slightly below the national average. Per capita personal income ($19,397 in 1992) was 2 percent below the U.S. average, ranking 20th in the Nation (Chart 3).

- o Unlike most of the Nation, Florida was hit harder by the recent recession than it was by the recessions in the early 1980s. Employment fell by 1.7 percent in 1991 after having grown throughout the 1980s. Unemployment reached 8.8 percent in 1992, well above the U.S. average.

- o Primary industries in the Florida economy include agriculture, tourism (especially retail trade), health care, and professional services.

  - Tourism is a major component of the Florida economy. The number of people estimated to visit Florida each year has doubled since 1980, rising to nearly 21 million in 1990.

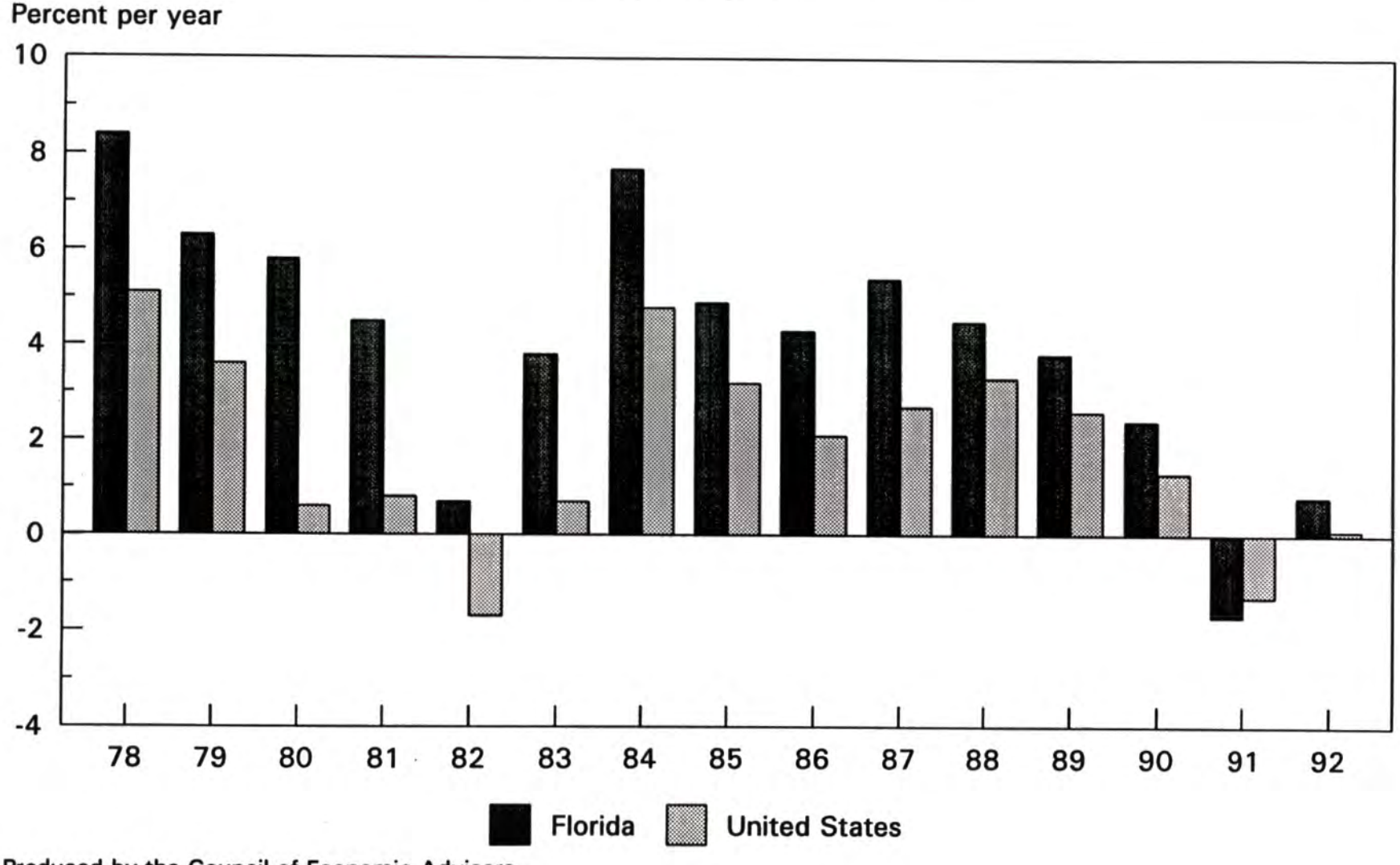
  - Major crops include oranges, tomatoes, sugarcane, and grapefruit. The manufacture of transportation equipment is also important.

Attachments

Florida and the United States

Growth in Nonfarm Payroll Employment

1978 - 1992

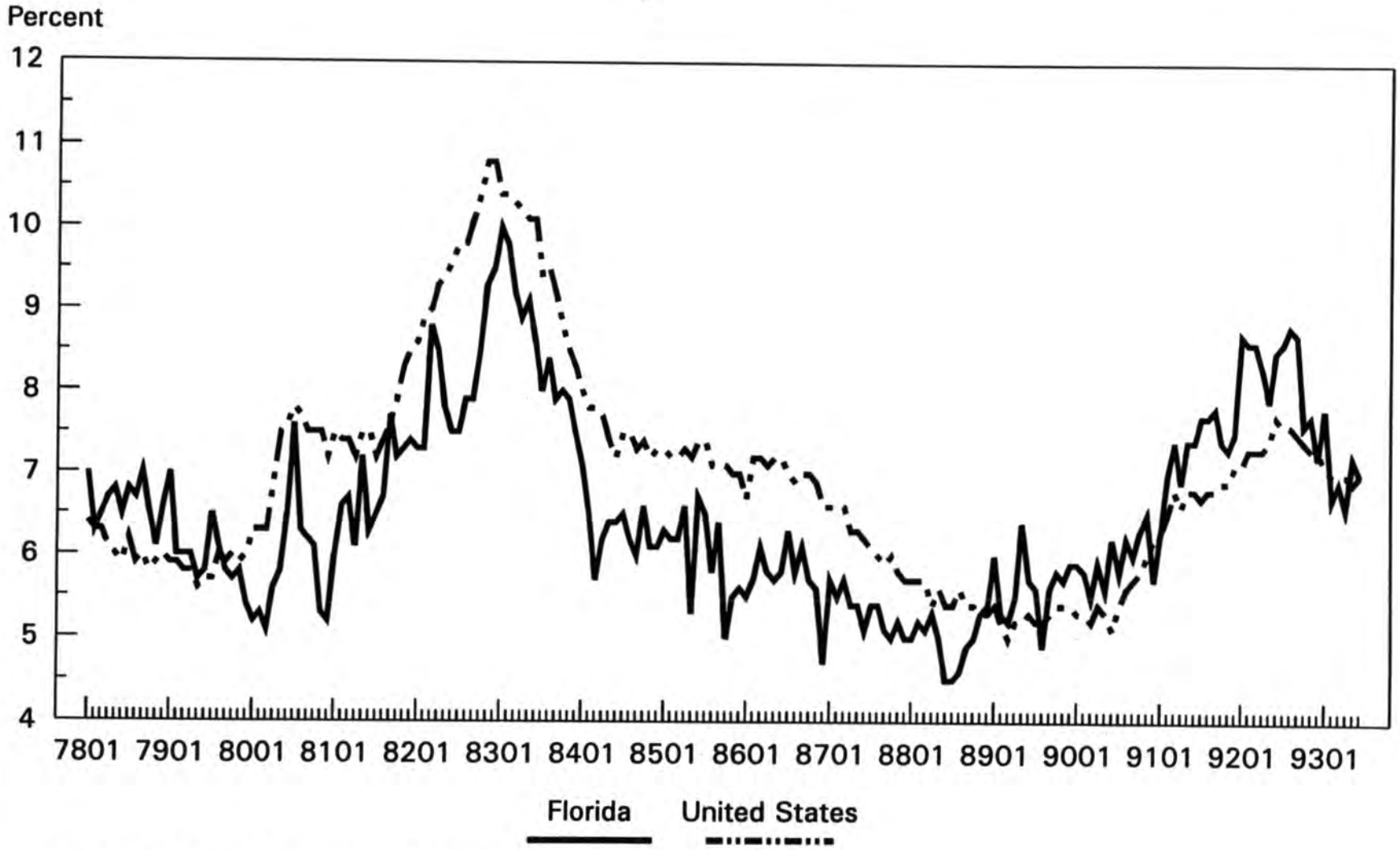


Produced by the Council of Economic Advisers.
Source: Department of Labor.

Florida and the United States

Unemployment Rates

Monthly, 1978 - 1993

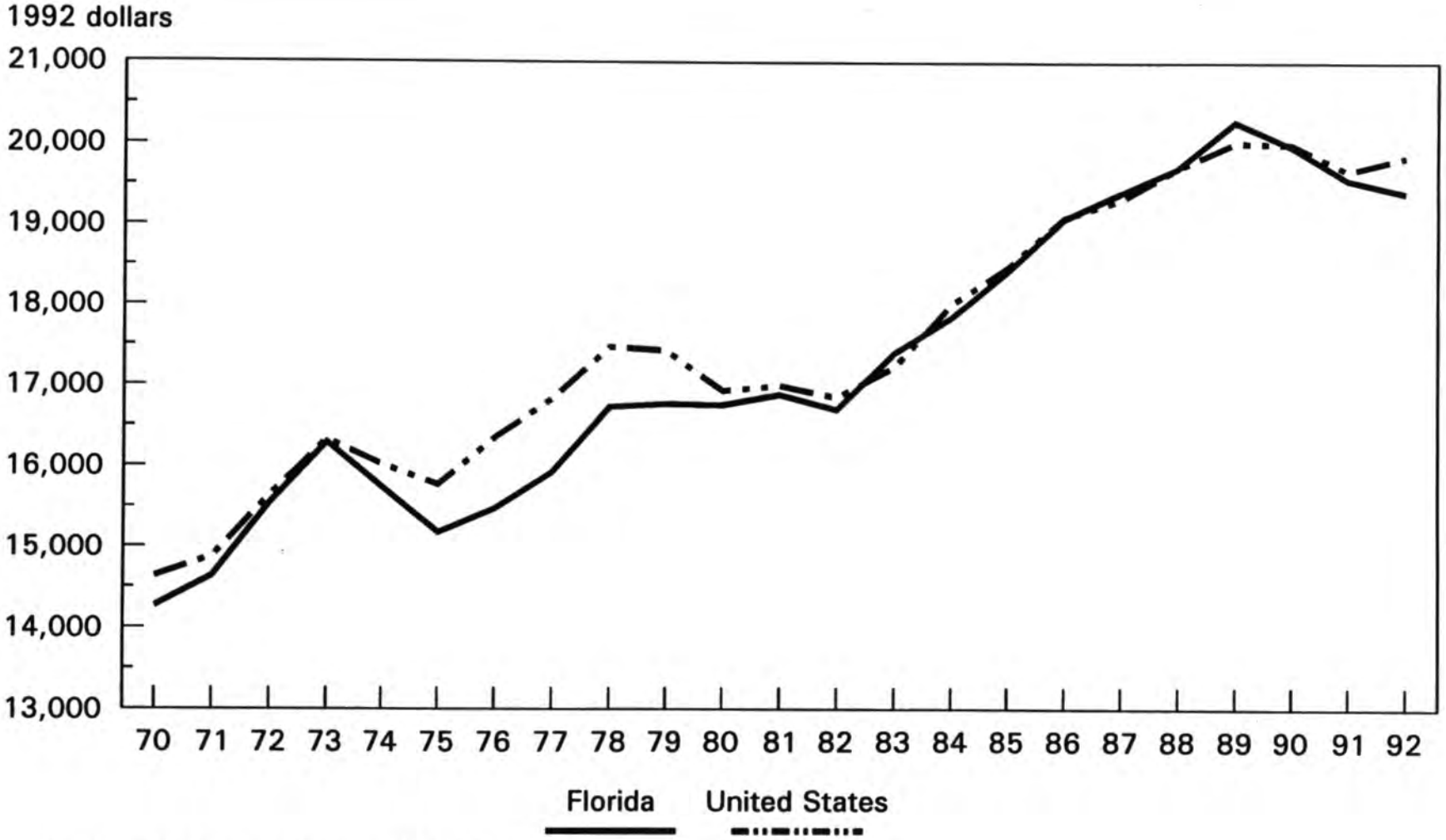


Produced by the Council of Economic Advisers.
Source: Department of Labor.

Florida and the United States

Real Per Capita Personal Income

1970 - 1992



Produced by the Council of Economic Advisers.
Sources: Dept. of Commerce and Dept. of Labor.
Note: Both series deflated by CPI-U for all U.S.

THE WHITE HOUSE

WASHINGTON

September 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Reta J. Lewis, Political Affairs

RE: Political Briefing - Florida

1992 PRESIDENTIAL ELECTION RESULTS

	Florida	Tampa	St. Petersburg
Clinton	39.2%	37.0%	37.9%
Bush	40.9%	39.9%	37.6%
Perot	19.9%	22.6%	23.9%

POLITICAL LANDSCAPE

1994 Gubernatorial Race. The Republican field for the 1994 gubernatorial race is already crowded. Potential candidates for the GOP nomination include former State Commerce Secretary Jeb Bush, Secretary of State Jim Smith, Senate President Ander Crenshaw, anti-abortion activist Ken Connor and State Insurance Commissioner Tom Gallagher. Congressman Bill McCollum announced last week that he is "analyzing" entering the race, but will take several weeks to make up his mind. Bush, Crenshaw and Connor are all declared candidates.

Governor Chiles has not officially indicated that he will seek a second term, leaving potential Democratic candidates hanging in the wings. Chiles is expected to announce his intentions this fall, perhaps during the October State Democratic Conference. Should Chiles decide not to run, likely candidates include Lt. Governor Buddy MacKay and former Congressman Bill Nelson. There is rumor that Senator Bob Graham may be interested in seeking another term as governor.

1994 Senate Race. Republican Connie Mack seems assured of a second term in the U.S. Senate. Even though Mack won his 1988 election over former Representative Buddy MacKay by a slim margin, his approval ratings remain very high throughout Florida. Second term Representative Jim Bacchus may decide to run against Mack--due largely to his redrawn Congressional district, which is not favorable for his re-election.

Most recently, former Florida Democratic Party Chair Simon Ferro has been mentioned as a possible challenger to Mack. Although Ferro is an unknown throughout much of Florida, he may have an advantage in South Florida's Cuban-American community.

Mack has raised approximately $1,150,000 to date for his 1994 campaign.

Statewide Officeholders. Lt. Governor Buddy MacKay (D), Attorney General Bob Butterworth (D), Comptroller Gerald Lewis (D), Secretary of Education Betty Castor (D), Insurance Commissioner Tom Gallagher (R), Secretary of State Jim Smith (R), and Secretary of Agriculture Bob Crawford (D) are the state's constitutional officeholders.

Appointments to the Administration. A number of appointments have come from Florida, including Attorney General Janet Reno, EPA Administrator Carol Browner, former Miami mayoral aide Jeff Watson, HUD Assistant Secretary Otis Pitts and, most recently, Cipriano Garza, the new Special Assistant on Farmworker Housing for HUD.

THE CONGRESSIONAL DELEGATION

Senator Bob Graham (D) has served in the Senate since 1986 and will be up for re-election in 1998. Graham was re-elected in 1992 with 65 percent of the vote. He is a member of the Aging, Armed Services, Environment and Public Works, Intelligence, and Veterans' Affairs Committees.

Senator Connie Mack (R) is serving in his first term will seek re-election in 1994. He was elected in 1988, defeating Lt. Governor Buddy MacKay by approximately 33,000 votes. Mack is a member of the Appropriations, Banking, Housing and Urban Affairs, Small Business, and Joint Economic Committees.

In mid-September, Mack called for the creation of a seven-member Spending Reduction Commission, which would come up with a package of $65 billion in cuts each year. Under Mack's proposal, Congress would have to vote on the entire package with no amendments. According to the National Taxpayers Union Foundation, Mack votes to cut or reduce spending approximately 48 percent of the time.

The members of the Florida congressional delegation are:

*Rep. Earl Hutto (D)
Rep. Karen Thurman (D)
Rep. Pete Peterson (D)
Rep. Clifford Stearns (R)
Rep. Bill Young (R)
Rep. Charles Canady (R)
Rep. Bill McCollum (R)
Rep. Harry Johnston (D)
Rep. Lincoln Diaz-Balart (R)
Rep. Michael Bilirakis (R)
Rep. E. Clay Shaw (R)
Rep. Dan Miller (R)
Rep. Corrine Brown (D)
Rep. John Mica (R)
Rep. Tillie Fowler (R)
Rep. Sam Gibbons (D)
Rep. Tom Lewis (R)
Rep. Jim Bacchus (D)
Rep. Illeana Ros-Lehtinen (R)
Rep. Peter Deutsch (D)
Rep. Alcee Hastings (D)
Rep. Porter Goss (R)
Rep. Carrie Meek (D)

*Hutto is the only Democratic member of the Florida delegation to vote against the Budget Reconciliation Package on August 5th.

Note: Representatives Young (R) and Gibbons (D) have expressed strong support for NAFTA.

THE STATE LEGISLATURE

Senate Presidency. The Florida State Senate is split equally between Democrats and Republican for the first time since Reconstruction. As a result, the Senate Presidency is rotated between the two parties. Ander Crenshaw (R-Jacksonville) is currently serving as Senate President. Pat Thomas (D-Quincy) will take over the Presidency on October 12th. The State House is controlled by Democrats and is led by Speaker Bo Johnson.

LOCAL POLITICS

Tampa Mayor Sandy Freedman. Elected to office in 1987, Mayor Freedman has a year and a half left in her second term. Due to term limitations for the office of mayor, Freedman can not seek re-election in 1995.

Mayor Freedman was one of the first big city mayors in the country to support your campaign and has been strongly affiliated with the Democratic Leadership Council (DLC). We are working with Mayor Freedman regarding her recommendations for administrative appointments. She has recently expressed concern over the appointment process.

Freedman celebrated her fiftieth birthday on Tuesday, September 21st.

St. Petersburg Mayor David Fischer. Under a new "strong mayor" form of government approved in March of 1993, Mayor Fisher became the city's first chief administrative officer. This change was a move away from the city's traditional city-manager style of government. In this capacity, the Mayor has gained power over city administrative affairs and personnel matters, although he no longer is a voting member of the city council.

Fisher, a Republican, was elected to his second term in 1993 in what became a referendum on race relations in the city. The St. Petersburg business community has strongly supported city initiatives to develop the downtown area--a direction that Fisher has generally supported. The high concentration of senior citizens in the area and much of St. Petersburg's African-American leadership have rejected this type of tax-payer based development.

The Mayor of St. Petersburg Beach (the location for Friday's crime event) is Michael Huran (R).

THE STATE DEMOCRATIC PARTY

Terrie Brady. Ms. Terrie Brady, a teacher from Jacksonville and leader in the FTP/NEA, replaced Simon Ferro of Miami as Chair in 1992. Brady invited you and the First Lady to attend the Florida State Conference on October 2nd--an invitation you have declined.

Simon Ferro. Former Florida Party Chair Simon Ferro has been very vocal on issues of concern to the Democratic Cuban-American community in Florida. Most recently, Ferro expressed strong concern about Secretary Pena's recent visit to Florida, in which the Secretary met with a number of Cuban-American groups to promote NAFTA. Ferro's perception was that a representative of the Administration was meeting with right-wing Cuban-American groups rather than Democratic supporters in the Cuban-American community. Ferro has been mentioned as a possible contender to Senator Connie Mack.

CRIME ISSUES

Tampa Student Shooting. Mahmet Bahar, a Turkish exchange-student at the University of Tampa, was beaten to death on Saturday, September 18th. Bahar was found dead near his car in an affluent Tampa neighborhood, apparently having suffered head and chest injuries from the attack. The Tampa police have charged two men in Bahar's death, but say that there is no evidence that Bahar was targeted because he was a student from a foreign country. The motive appears to be over a traffic incident, in which Bahar cut in front of the suspects' car. The suspects, Robert Barthmaier and Joseph Wagner, both of Tampa, have been charged with first-degree murder, attempted robbery and burglary of a vehicle.

Gainesville Student Killing. Gainesville police have arrested a 27-year old man in the stabbing death of a University of Florida graduate student on Saturday, September 18th, and the slashing of her roommate. The suspect, Richard Meissner, is believed to have known the primary victim, Gina Langevin, and will face charges of murder and attempted murder. There is no evidence that this killing is related to the killing of five University of Florida students five years ago.

Monticello Tourist Shooting. Two British tourists were attacked in their rental car on September 14th while at a rest stop on Interstate 10. After being approached by two young men asking for money, the couple attempted to leave the rest area site. The youths shot at the car, killing Gary Colley and wounding Margaret Ann Jagger. The shooting site is approximately 25 miles east of Tallahassee.

Colley's death brings the number of foreign tourists killed in Florida in the past year to ten. The shootings have created strong concern for the state's tourist industry and resulted in the addition of 50 police to the Miami area. Governor Chiles ordered beefed-up patrols at the state's 48 interstate highway rest areas, deploying approximately 540 auxiliary officers from the Florida Highway Patrol, Game and Fresh Water Fish Commission and Marine Patrol. The law enforcement officers resumed their normal duties on Monday, September 20th after several days of special patrol. Private security guards took over the responsibility of patrolling the rest stops on Monday, after the signing of a $6.7 million private security contract by State Transportation Secretary Ben Watts.

Note: Some civil rights leaders have complained that the Florida authorities are targeting black youths for interrogation in the Colley murder. In addition, the ACLU said there was evidence that some youths were brought in to police stations without probable cause and were not represented by lawyers. Attorney General Reno and Governor Chiles defended the investigation process during the Attorney General's visit to Tallahassee on Friday, September 17th.

Racial Attack. Two white laborers from West Palm Beach Florida were found guilty on September 7th of kidnapping, robbing and trying to kill an African-American tourist from New York. The two men will face sentencing on October 22nd.

Citrus County Shooting. A curfew was imposed Sunday night, September 12th, in Crystal River, Florida during the investigation into the shooting of a handcuffed African-American man by a white police officer. Jerome Bunch was shot by Officer Joseph Manfredo as Bunch allegedly strangled Sergeant Kathleen Liotta outside of a bar in Crystal River. The shooting was witnessed by a group of the bar's customers in addition to several other police officers. Bunch died instantly after being struck in the head with the bullet. The investigation has been turned over to the Citrus County Sheriff's Office.

Pensacola Murder Trial. Anti-abortion protester Michael Griffin was scheduled to go to trial September 20th for the shooting of abortion provider David Gunn on March 10th. The trial was postponed to December 6th when Griffin agreed to retain an attorney for his case. Robert Kerrigan, who will represent Griffin, asked for the delay in order to prepare for the trial.

Miami Tourist Shooting. German tourist Uwe-Wilhelm Rakebrank was fatally shot on September 8th by two assailants in a van who repeatedly bumped his rental car from behind. Rakebrank and his pregnant wife had picked up their rental car at Miami International Airport and were en route to their hotel when the attack began. Three people have been arrested in this case. Rakebrank was the fourth German tourist killed in southern Florida since December.

OTHER NEWS ISSUES

Tampa Shipyard, Inc. There is the possibility of a protest Thursday night due to controversy over a pending Naval contract with the Tampa Shipyard, Inc. Please see detailed memo from NEC.

Health Care. The Florida legislature approved Governor Chiles' health care reform plan this spring, which calls for the establishment of regional alliances to consolidate the purchasing power of small businesses. Florida's law however, allows businesses to decide whether or not to join the alliances and does not require employers to provide workers with health care. Requirements may be added under a 1992 law if the private sector cannot reform the state's $48 billion health care system by 1995. Chiles has expressed concern over some of the key differences in the Florida and Clinton health care reform plans.

Florida currently has approximately 2.5 residents, most of them workers or the dependents of workers, who are uninsured. Another 2.5 million people have some insurance, but not enough for adequate care.

Base Closings and Realignment. The closing of three bases by the Base Closure and Realignment Commission may impact as many as 17,500 military and civilian jobs in Florida. Approximately 11,085 jobs in Orlando may be affected from the closing of the Naval Training Center and South Dade County may lost almost 4,000 jobs from the closing of the Homestead Air Force Base. Jacksonville may lost 2,465 jobs from the closing of Cecil Field, which is offset by the expansion of the Naval Aviation Depot. The total loss of jobs is also offset somewhat by gains in employment at the Mayport Naval Station and Pensacola's Naval Air Station. California, Florida and South Carolina have suffered the bulk of direct job losses from this year's round of base closings.

Everglades Cleanup. Secretary Babbitt announced the general outline of a settlement agreement on July 13th regarding the battle to clean the Florida wetlands. The settlement in the federal lawsuit against the State of Florida and the South Florida Water Management District, calls for a two-phased, 20 year plan to clean up the Everglades. Implementation of the plan will cost approximately $465 million. Officials of eight top U.S. environmental organizations, among them the Sierra Club, the National Audubon Society and the National Wildlife Federation, have denounced the settlement, which they believe incorporates many of the recommendations made by leaders in the sugar industry.
Under the settlement, Florida taxpayers would pay the bulk of the cost of the plan's initial clean-up phase. The plan would also use public land to build filtering marshes to clean up farm population. This would require tapping into the state's Preservation 2000 fund, a pool of money set aside by the legislature to acquire endangered lands. Environmentalists, along with the Miccosukee Tribe of Indians, feel that the burden of clean-up should fall more heavily on farmers.

Members of the state leadership, including Governor Chiles, have praised the settlement and are anxious to end litigation and begin the restoration process.

Constitutional Amendments. There are currently fifteen committees circulating petitions in an attempt to amend the Florida Constitution in 1994. The two most significant issues at hand concern gay rights and a cap on state spending. The American Family Political Committee is circulating a petition to restrict laws regarding discrimination to currently recognized classifications, such as race, religion, sex and age. This would prohibit sexual preference from being covered under the current discrimination laws.

The Republican Party of Florida and the Tax Cap Committee are working in an attempt to limit state spending. The Republican Party's amendment would link the growth in state revenues to the rate of growth in personal incomes. The Tax Cap Committee's amendment would require a public referendum on any proposed state tax increase on items such as gasoline, alcohol or tobacco.

Protection for Abortion Clinics. Florida authorities are beginning to uncover links between the recent shooting of a Kansas abortion provider and last year's assassination of a Florida clinic physician. The group called Advocates for Life, of which Shelly Shannon--the woman charged in the Kansas shooting--was a member, has targeted Florida for future activity. A spokesperson for Advocates of Life described Florida as "a hotbed of abortion" and says that the group intends to "focus on abortionists there."

Governor Chiles has ordered the Florida Department of Law Enforcement to do whatever necessary to head off violence by extremist anti-abortion groups. Congressman Jim Bacchus, who represents Melbourne, Florida's hottest abortion battle zone, has called for stricter laws to protect clinics that provide abortions. Bacchus is co-sponsor of legislation making it a federal crime to impede access to a clinic or harass patients or employees.

The Florida Supreme Court is currently considering a request by anti-abortion activists to reverse standing orders by circuit court judges that provide for buffer zones around abortion clinics. Abortion opponents say that the zones are an infringement on free speech.

THE WHITE HOUSE

WASHINGTON

September 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Ann Walker

SUBJECT: Tampa & St. Petersburg Local Issues Briefing

DEMOGRAPHICS

Population	
City:	280,105
Metropolitan:	2,067,959
Ethnic Breakdown	
African-American:	25.0 %
White:	55.9 %
Hispanic:	15.0 %
Asian:	1.4 %

CRIME (Statewide)

Florida has been victim to a recent rash of violent crime. Last year, Florida reported 161,137 violent crimes, including 1,263 homicides. Florida, with 12 million people, led the nation with nearly 1.1 million total crimes in 1992. This year, according to the FBI, Florida's index of violent crime is 1,184 per 100,000, the highest in the nation.

International attention has been focused on Florida as a result of the murder of ten foreign tourists so far this year. Such violence poses a serious threat to Florida's $31 billion annual tourist industry, as foreigners make-up 17% of the 40 million people who visit the state each year. Despite the attention, foreigners make up only 3.5 % of Florida's murder victims.

Recent Killings:
Tampa, September 18: Robert Barthmainer, 24, and Joseph Wagner, 25, have been charged with first degree murder in the death of Mahmet Bahar, a 17 year-old Turkish exchange student. Barhtmaier and Wagner were both part of the state's controlled release program, having been released from prison in January and June respectively. There is some concern that the state's crime problem may be related to prison overcrowding and the premature release of violent criminals.

Tallahassee, September 14: Gary Colley, 34, of England was shot to death and his companion wounded at an interstate rest stop outside of Tallahassee during a robbery attempt. Jefferson County police working on the case have been widely criticized for questioning all African-American males with a criminal record in the county. A 13 and a 15 year-old were taken into custody in the case.

Miami, September 8: Uwe-Wilhelm Rakebrand, a 33 year-old German tourist, was shot and killed in front of his pregnant wife after his rental car was bumped from behind on an expressway. Three suspects have been arrested and charged in the case.

Racial Burning Case

Mark Kohut and his roommate, Charles Rourk, were convicted earlier this month in the attack on Christopher Wilson, the black New York tourist who was doused with gasoline and set on fire outside of Tampa on New Year's Day. Sentencing is October 22. Kohut's attorneys filed a motion for a new trial on September 17th, alleging prosecutorial misconduct.

State Response:

Governor Chiles has requested $4 million in emergency Federal aid for policing. The money would extend the Violent Street Crime Task Force for another three years. The Governor also assigned more than 400 game wardens, marine patrol agents and agricultural inspectors to patrol rest areas along Florida's highways, and early this week, those officers were replaced by state-contracted private security firms. In addition, Department of Law Enforcement Commissioner, James "Tim" Moore has proposed a tough new ban on possession of guns by anyone under 18.

The wave of violence has stirred passionate reactions from some state officials. Secretary of State Jim Smith urges that criminals who prey on tourists should be "shot down like the dogs they are." State Attorney Katherine Rundle told the Wall Street Journal that "Crime pays," and that "sentencing is a fraud perpetrated on the public."

RACIAL TENSIONS

According to an editorial in the Tampa Tribune (9/1/93), Blacks and Whites "have never lived here in harmony." There were 70 reported Hate Crimes in the Tampa area last year, the highest total of any county in Florida. In addition, the National Forum for Black Public Administrators pulled next year's planned 2,000 member annual meeting from Tampa because of the city's poor civil rights record.

Police Shooting

Racial Tensions in Tampa were heightened when two white Tampa Police officers killed a black robbery suspect in a shootout at a public housing complex on August 28. Two bystanders were also injured in the exchange. Witnesses claim that Edward James, the suspect, was unarmed when the police shot him. The incident caused strained relations between the police and some members of the black community.

Historical Race Relations

In 1986, hometown hero, Dwight Gooden of the NY Mets was stopped for a routine traffic violation and beaten by police. A few months later, a mentally handicapped black man was killed when police restrained him with a choke-hold. Several days of violence erupted as a result. In 1991, racial problems flared again over the City's annual Gasparilla Festival that was to be televised before the Super Bowl. However, the all-white all-male group canceled the event rather than yield to pressure from local black leaders and the NFL to integrate.

Recently, attempts have been made to improve racial problems. The Gasparilla group has opened its ranks to several black members and many Tampa business leaders have become convinced that good race relations and a strong economy are inextricably linked. In addition, Mayor Friedman appointed the City's first black police chief last month.

INDUSTRY

Main industries include: beer and phosphate processing; cigar, pharmaceutical and chemical manufacturing; ship building. Some of the largest employers are: MacDill Air Force Base (to be realigned in 1994), General Telephone Co., Maas Brothers, IBM and GTE Data Services.

FEDERAL COURT HOUSE COMPLEX

Last Thursday's decision to freeze more than 180 GSA real estate acquisitions as part of the National Performance Review alarmed supporters of a planned $84 million new federal courthouse complex in Tampa. Although the design contract has already been awarded, the purchase of three city blocks for the complex is not scheduled until early 1994.

MacDILL AIR FORCE BASE

A training base for F-16 fighters, MacDill is scheduled for major realignment in March 1994. The 56th Tactical Fighter Wing, the primary occupant, will transfer to Luke AFB, Arizona. However, the headquarters of the U.S. Special Operations Command and the U.S. Central Command will remain at MacDill. Also, in a change to the 1991 recommendation to shut down the air strip, the National Oceanographic and Atmospheric Administration will assume ownership of the field in May, 1995. The realignment will impact as many as 3,500 of the base's 6,000 jobs.

NAVY CONTRACT CANCELLATION

Navy Secretary John Dalton postponed a decision to permanently cancel Tampa Shipyards' $176 million ship repair contract. Tampa Shipyards is a subsidiary of American Ship Building Co., owned by George Steinbrenner. The Navy initially terminated the contract Aug. 25, leading to the lay-off of more than 900 workers and the closing of the main shipyard at the Port of Tampa. Permanent cancellation of the repair contract would mean the permanent loss of about 1,000 jobs.

OIL SPILL

On August 10, three vessels collided in Tampa's main shipping channel. The collision caused a 328,000 gallon oil spill approximately 11 miles long and 2.5 miles wide. The shipping companies involved in the accident have financed the majority of the multi-million dollar clean up.

SPORTS

Last Sunday, the Tampa Bay Buccaneers lost to the New York Giants and they are now 0-2. The Buccaneers are scheduled to play the Houston Oilers on Sunday. Also, the Tampa Bay Lightning beat the St. Louis Blues 5-3 in an NHL exhibition game on Tuesday night.

THE WHITE HOUSE

WASHINGTON

'93 22 P5:53

September 22, 1993

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: KEITH MASON KM

SUBJECT: GOVERNOR CHILES/ LAW ENFORCEMENT GRANT APPLICATION

I. SUMMARY

Governor Chiles is expected today to deliver to Phil Heyman at the United States Department of Justice the State of Florida's grant proposal which outlines a dual strategy to enable Florida local and state law enforcement to provide for "the critically needed" police presence on the streets of Florida. This proposal outlines the Federal support necessary to allow for the expansion and continuation of the Dade County Violent Street Crimes Task Force and the implementation of this highly successful approach in Orlando, Tampa, Jacksonville, and Tallahassee.

II. DISCUSSION

The grant application generally follows the guidelines prescribed by the Federal Police Hiring Supplement Program. Strategy One of the Florida effort would expand and sustain the Violent Street Crimes Task Force in Dade County for a minimum of three years. This part of the Florida effort would also provide funding for 35 law enforcement officers while funding 17 additional officers. The final aspect of Strategy One would fund the Dade Robbery Clearinghouse for one year.

Strategy Two would expand the Violent Street Crimes Task Force to all regions of Florida and provide funding for 22 State officers and overtime dollars for local law enforcement relating to the task force thus totaling the equivalent of 70 officers. This strategy would also provide operational expenses for the statewide effort.

Total Initiative:	$13,284,035
Total Federal Funding:	$ 9,963,026
Total State Funding:	$ 3,321,009

DOJ has been exploring additional funding options for the State of Florida and is planning an expedited review of this application.

Enclosure

STATE OF FLORIDA

Office of the Governor

THE CAPITOL
TALLAHASSEE, FLORIDA 32399-0001

LAWTON CHILES
GOVERNOR

September 22, 1993

The President
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

Dear Mr. President:

As you are aware, the recent murders of international tourists in Florida have brought extensive attention to our State. The highly publicized nature of these random and senseless acts, and previous crimes committed against tourists, pose a critical threat to not only the safety and security of our residents and visitors, but also the economic security of our State. More importantly, these acts have greatly emphasized the significant problem which Florida and other States face in dealing with the escalating nature of violence in our society. The answer to our "tourist crime" problem is embedded in our ability to solve the *overall* violence problem. The most *meaningful* solutions to these problems are extremely long-term and complex and will require efforts from many segments of our society -- not just law enforcement.

However, law enforcement must respond promptly and effectively. In the wake of these most recent tragedies it was incumbent upon us to take *immediate* action to reduce this street crime and the fear which so many residents and tourists feel on our highways. We seek your strong support in our attempt to secure appropriate Federal funding to assist Florida in a two-part strategy which we feel can make an immediate difference in reducing street crimes and restoring our public's (residents and tourists) sense of security.

The first part of this strategy seeks to expand and sustain a successful Dade County effort. In April of this year, I directed the Florida Department of Law Enforcement and the Florida Highway Patrol to work with a number of local law enforcement agencies to prevent violent street crimes committed against residents and tourists. These combined efforts resulted in the implementation of a multi-agency effort -- *the Violent Street Crime Task Force*. This innovative effort combines a concentration of highly visible uniformed officers working with special undercover investigators who constantly rove specified areas. During the period April through July 1993, the City of Miami has reported that crimes committed against tourists have dropped approximately 56% compared to the same period in 1992. Officers have also documented over 500 contacts with tourists -- many of whom were unaware that they had ventured into high crime areas. They have also documented over 230 arrests, the recovery of 100 stolen vehicles, and the interrogation of over 500 individuals encountered in specified high incident areas. This intensified police presence has certainly prevented serious crimes from occurring. The immediate expansion of this program into a larger regional area would coincide with the upcoming prime tourist season in South Florida.

The success of this model and the fact that violent street crime is indeed a *statewide* problem prompt us to propose duplication of similar task forces in all regions of Florida. Therefore, the second part of our strategy is to support similar law enforcement partnerships in the regions surrounding Tampa, Orlando, Tallahassee, and Jacksonville. The Miami effort and those proposed statewide are built upon strong interagency cooperation and commitment and have and will forge collaborative efforts which will serve as an excellent model for other states to employ. The successes which we envision on the enforcement side of the violence problem will certainly demonstrate the value of shared responsibility, information and resources.

Unfortunately, these highly visible and successful efforts will place an economic strain on our state and local agencies involved. We therefore ask the Federal government to supplement our commitments to these partnerships with funding in the amount of $9.9 million through available funding sources. It is my understanding that moneys may be available through discretionary funding; fiscal year-end funds; or the Police Hiring Supplemental Program.

It is important to note that this proposal seeks a significant level of overtime funding for local and state law enforcement. This is a vital stop-gap need which must be filled to provide for immediate increases in police presence in the most problematic areas of Florida. In addition to the 47 new positions which would be funded through this strategy, overtime funding requested would equate to an additional 87 full-time, trained and productive officers which will be placed on the streets of Florida targeting crime "hot-spots".

We have prepared a formal grant application which describes this initiative and the results which we anticipate. That proposal will be provided to Attorney General Reno today.

On behalf of the citizens of Florida, thank you for the concern you have already expressed in this matter and for your consideration of this critical issue.

With warm regards, I am

Sincerely,

Lawton

LAWTON CHILES