

**NLWJC - Kagan**

**DPC - Box 036 - Folder 015**

**POTUS Press Conference -  
Q&A 5/5/98**

**Q&A's on Health Care**  
**May 5, 1998**

**Q: There are so many promising new developments in cancer. Shouldn't your Administration do more to help advance the progress against this disease?**

A: I am very encouraged about the promising new breakthroughs in cancer research. I am proud of what this Administration is doing to advance this progress through three proposals that represent some of the highest priorities of the cancer community.

- Historic Investment in Cancer Research. My balanced budget includes an unprecedented multi-year investment in cancer research, with a 65 percent increase in the NCI budget over the next five years.
- Cancer Clinical Trials. My budget also includes a new demonstration to cover the patient care costs for Medicare beneficiaries who participate in certain clinical trials. The recent promising cancer therapies all have to go through clinical trials. Scientists have said that expanding access to these trials will increase their participation rates, which is critical to ensuring that these promising new therapies go from the experimental phase to the market where they can potentially help millions of Americans.
- Genetic Discrimination. Finally, I have asked Congress to pass legislation that prevents employers and health insurers from discriminating on the basis of genetic information. Studies show that a leading reason women do not get new genetic testing for susceptibility to breast cancer is because they worry about this kind of discrimination.

I urge Congress to pass all of these proposals into law this year.

**Q: Should insurance companies be required to cover Viagra?**

A: If the drug is medically necessary, it should be covered. Most policies today cover prescription drugs that have been determined by physicians to be medically necessary.

Some health plans are now suggesting that this drug is being prescribed and dispensed for conditions that may not meet a traditional definition of medical necessity; in response, they are contemplating new coverage rules. We will follow this closely to determine if medically necessary medications are covered. But as a general matter, I believe there should be very careful deliberation before the government takes any action to require coverage for a particular prescription drug.

**Q: But isn't it inconsistent to cover Viagra, in light of the fact that many policies do not now cover birth control pills?**

**A:** The decision to require coverage for any particular drug should be carefully considered. The question is whether the denial of coverage creates problems of real access to medically necessary prescription drugs. Before we proceed in this area we should make sure that the need justifies governmental intervention.

**Q&As on Tobacco**  
**May 5, 1998**

**Q: Do you think you'll get a tobacco bill this year?**

**A:** I believe we have an historic opportunity to pass bipartisan legislation this year which contains all the elements necessary to reduce teen smoking. And I'm going to do everything I can to put politics aside and pass legislation that will achieve that objective. Senator McCain's legislation, which passed the Commerce Committee by a 19-1 vote, is a strong step in the right direction on the road to passing comprehensive tobacco legislation. It shows real momentum in both parties to pass effective, comprehensive tobacco legislation this year.

**Q: Isn't the McCain bill a big government, big tax proposal?**

**A:** No. What this bill does is to attack the problem of youth smoking comprehensively, as all experts say we need to do, by combining strong provisions on price, penalties, advertising and access, and FDA jurisdiction. Although we have some differences with Senator McCain, he also recognizes the need to move forward on all these fronts to reduce youth smoking. That's not about big government. It's about sensible, bipartisan steps to dramatically reduce youth smoking.

**Q. But won't the McCain bill create 17 new federal bureaucracies?**

**A.** No -- this isn't about big government. What the bill does is to ensure that the federal government has the authority to regulate tobacco products in order to reduce youth smoking, as well as the ability to target tobacco revenues to strong public health and research efforts. The so-called "bureaucracies" that the industry is now complaining about are nothing more than what's necessary to protect the public health in this way -- to ensure that cigarettes are not sold to minors, to promote effective education, and to encourage smoking cessation. The proof that this is an industry con job is clear: almost all these provisions were in the June 1997 proposed settlement put forward by 41 state attorneys general, which the industry agreed to. The industry is criticizing these provisions now only because the political tide has turned against it, and certain other aspects of the legislation have gotten stronger.

**Q: Are you worried about the bill creating a black market?**

**A:** This is a serious issue, but we believe we can ensure that no significant black market emerges. We think we can minimize any smuggling through a system similar to the one

that's been in place for alcoholic beverages for over sixty years by: 1) creating a "closed" distribution system for tobacco products so that only licensed entities can sell or buy products; 2) clearly branding packages for export, to prevent them from being diverted; and 3) establishing and enforcing penalties and other actions for violators. Senator McCain's bill largely addresses these issues; it provides a strong foundation for anti-smuggling legislation that will prevent the emergence of a black market.

**Q: Wouldn't this scheme extend the reach of the federal government to every mom-and-pop grocery store or 7-11?**

**A:** No. We support with a system that places primary responsibility for licensing retailers on state governments, as the McCain bill does. Thirty six states already license retail sellers of tobacco products, so this is not a major change. The important thing is to work with Congress to devise a scheme that will facilitate the effort to prevent smuggling, while not burdening retailers. The Administration will work with Congress, and the retailers themselves, on this issue.

**Q: Won't the McCain bill bankrupt the companies? Lots of Wall Street analysts say it will.**

**A:** We don't want to put the tobacco companies out of business. We just want to put them out of the business of selling cigarettes to kids. A central feature of comprehensive tobacco legislation is to ensure that most of the payments made by the tobacco companies are passed on to price, in order to reduce youth smoking. As a result, there will be at most a modest impact on the profitability of the tobacco companies. This is also an industry with significant cash flow and net assets that will allow it to easily absorb this modest profit decline. The operating earnings of RJR, Philip Morris, and Loews last year were *\$18 billion*. Even RJR, the most highly leveraged firm in this industry, had a \$1.5 billion operating profit for its domestic tobacco business, and has over \$4 billion in net assets from its Nabisco stock holdings. The only real risk of bankruptcy comes from losing a rash of lawsuits in court.

**Q: What do you think of the House Republican proposal to link drugs and tobacco in a single bill?**

**A:** Nobody disagrees about the need to be tough on drug use, but that is no excuse to be less than tough on youth smoking. We need to pass strong, comprehensive tobacco legislation this year that dramatically reduces youth smoking by raising the pack of cigarettes, imposing tough penalties on companies that continue to sell to kids, granting the FDA authority over tobacco products, and restricting advertising and marketing to children. The McCain bill, which passed the Senate Commerce Committee by a 19-1 vote three weeks ago, is a strong step in that direction. If Republicans want to add good

anti-drug provisions to a comprehensive tobacco bill of this kind, I have no objections. But the bill must address the problem of youth smoking comprehensively; anti-drug provisions can't serve as an excuse for watered-down tobacco legislation.

**Q. What is wrong with passing a “skinny” tobacco bill? Why do you need a comprehensive bill?**

A. Every day, 3000 children and adolescents begin smoking, and 1,000 will die prematurely as a result. Experts agree that in order to dramatically reduce youth smoking we need to take a comprehensive approach that will attack the problem from a variety of angles.

- Price: All experts agree that the single most important step we can take to reduce youth smoking is to raise the price of a pack of cigarettes significantly. That is why I proposed raising the price of cigarettes by \$1.10 over five years -- an increase that both the Treasury Department and the Congressional Budget Office agree should cut youth smoking by about a third.
- Advertising: Studies show that industry advertising significantly contributes to youth smoking rates. The Treasury Department has estimated that the advertising and marketing restrictions in the McCain bill should cut youth smoking by about 15 percent. This is a conservative estimate: an American Medical Association study recently found that a full 34% of teen smoking is attributable to promotional activities.
- FDA Jurisdiction: Reaffirming the FDA authority over tobacco products is necessary to help stop young people from smoking before they start. Currently, nearly 90 percent of people begin smoking before age 18, despite the laws that make it illegal to sell cigarettes to minors. FDA Authority will ensure that young people do not have access to these products.
- Penalties: Strong lookback penalties will act as an insurance policy to ensure that the tobacco industry takes meaningful steps to reduce youth smoking. If the bill's provisions on price, advertising, and FDA jurisdiction do not bring youth smoking down as much as expected, penalties will kick in to ensure that the industry has every incentive to take further action to reduce youth smoking.

All of these measures support and reinforce each other; all are necessary to ensure that legislation dramatically reduces youth smoking.

**Q & A's on Campaign Finance Reform  
May 5, 1998**

**Q: What do think of the Republican leadership's recent decision to go forward with a vote on campaign finance reform legislation? Would you sign the "freshman" reform legislation?**

**A: I am very pleased that the House Republican leadership has relented in the face of public pressure and will allow a vote on campaign finance reform. I strongly support the bipartisan legislation offered by Reps. Christopher Shays and Marty Meehan, which is the best chance in a generation for real reform. While the "freshman" reform bill also contains several good reform measures, Shays-Meehan stands a better chance of passing both houses because it has the support of a majority of Senators (though it so far has been blocked by a minority in the Senate on procedural grounds).**

Every Member of the House of Representatives has a responsibility to vote for this measure to ban large soft money contributions, improve disclosure, and restrict backdoor campaign spending. A vote for bipartisan campaign finance reform will be a vote to strengthen our democracy and give ordinary voters the loudest voice.

**Needle Exchange Q&As**  
**May 5, 1998**

**Q: What is your position on the Solomon Amendment to prohibit any Federal funding for needle exchange programs?**

**A:** The Administration strongly opposes this legislation because it is unnecessary and unwarranted. We believe that this legislation serves only to further politicize this issue. Congress should focus on those issues that immediately impact the health and well being of the nation: youth smoking, quality shortcomings, and Americans ages 55 to 65 that have been failed by the insurance market.

**Q: If you believe that needle exchange is an issue that should be decided at the local level why does the Secretary need any authority to authorize Federal funding?**

**A:** It has been the longstanding position of Congress to give the Secretary of Health and Human Services the authority to determine the scientific and public health merits for a wide range of public health activities. We believe it is unwarranted and unnecessary to take away the Secretary's authority and that this legislation is being pursued for purely political -- not policy -- reasons.

**Q: If the science concludes that needle exchange programs reduce the transmission of HIV and do not increase drug use, why didn't you release federal funds for needle exchange programs?**

**A:** We have always said that communities should make their own decisions on this issue, based on their own circumstances and using the best available scientific information. Releasing federal funding for needle exchange would have inappropriately shifted the focus away from communities -- where these decisions should be made -- to the national level. That could have severely undermined or threatened local programs that are currently in place, and hindered additional communities from deciding to put these programs into place. At the same time, such federal action could send an inappropriate message about the acceptability of drug use -- a message that is not sent when an individual community decides, on the basis of its unique circumstances, that a particular, carefully designed needle exchange program advances public health interests. For these reasons, the Administration concluded that it should simply give the scientific guidance that is necessary for communities to make their own decisions, rather than federalize the needle exchange issue.

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**Q&As on Tobacco**  
**May 4, 1998**

**Q: Do you really think you'll get a tobacco bill this year?**

**A:** I believe we have an historic opportunity to pass bipartisan legislation this year which ~~both~~<sup>all</sup> contains the elements necessary to reduce teen smoking. And I'm going to do everything I can to put politics aside and pass legislation that will achieve that objective. Senator McCain's legislation, which passed the Commerce Committee by a 19-1 vote, is a strong step in the right direction on the road to passing comprehensive tobacco legislation. It shows real momentum in both parties to pass effective, comprehensive tobacco legislation this year.

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**Q: Are you worried about the bill creating a black market?**

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distribution system for tobacco products so that only licensed entities can sell or buy products; 2) clearly branding packages for export, to prevent them from being diverted; and 3) establishing and enforcing penalties and other actions for violators. Senator

McCain's bill largely addresses these issues, and we are working with him on technical changes. <sup>it provides a strong foundation for</sup>

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**A:** No. We <sup>support</sup> are comfortable with a system that places primary responsibility for licensing retailers on state governments, as the McCain bill does. The important thing is to work with Congress to devise a scheme that will facilitate the effort to prevent smuggling, while not burdening retailers. The Administration will work with Congress, and the retailers themselves, on this issue.

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