THE WHITE HOUSE

WASHINGTON

October 24, 1999

MEDICARE AND PRESCRIPTION DRUG EVENT

DATE:	October 25, 1999
LOCATION:	Presidential Hall OEOB Room 450
BRIEFING TIME:	9:30am – 9:50am
EVENT TIME:	10:00am – 10:45am
FROM:	Bruce Reed, Mary Beth Cahill, Chris Jennings

I. PURPOSE

To criticize the pharmaceutical industry for its advertising campaign against a Medicare drug benefit for all beneficiaries; to direct HHS to produce its first study on drug costs and trends; and to announce that your Social Security legislation will reserve one-third of the non-Social Security surplus for Medicare and challenge Congress to pass it.

II. BACKGROUND

Today, you will make a series of announcements to refocus the nation and the Congress on the need to strengthen and modernize Medicare, including the provision of a long-overdue prescription drug option. You will: (1) criticize the pharmaceutical industry for its multi-million dollar campaign designed to kill a Medicare drug benefit for all beneficiaries; (2) direct HHS to produce its first study on drug costs and trends, documenting problems faced by Medicare beneficiaries; and (3) announce that your Social Security legislation will reserve one-third of the non-Social Security surplus for Medicare and challenge Congress to pass it. Last Friday, Vice President Gore also expressed his concern about the inability of older and disabled Americans to access affordable prescription drugs. Today, you will:

- **Criticize the destructive, multi-million dollar, industry-sponsored campaign against a Medicare prescription drug benefit.** Despite widespread support among Republicans and Democrats for some type of prescription drug benefit for Medicare beneficiaries, no action has been taken in this Congress – in part because of the deceptive, multi-million dollar advertising campaign launched by opponents. Citizens for Better Medicare, a group organized and primarily funded by the pharmaceutical industry, is sponsoring TV, radio and print advertisements that include several myths about your plan for a prescription drug benefit. These myths include:

- **"Big government in my medicine cabinet."** This is false. Your proposal assures that all classes of drugs are covered – and that any doctor can prescribe a drug that is medically necessary without constraints. No government restrictions would be imposed, nor does your plan include price controls. It relies on private benefit managers, chosen through a competitive process, to structure the coverage policies. This is exactly the way that the best-managed private employers pay for drugs. In fact, your plan would actually increase, not decrease, choice of medicines since it would give the tens of millions of Medicare beneficiaries with undependable, expensive coverage, or no coverage at all the option to buy basic coverage at an affordable price.

- **"All seniors will be forced into a government-run plan."** Again, this is a false claim intended to scare seniors. Your drug benefit is purely optional – if beneficiaries want to keep their current coverage, they can. Unfortunately, very few seniors have decent, dependable options today. In just the past four years, the number of firms offering retiree coverage dropped by 25 percent. Your plan actually provides employers over $10 billion in incentives to offer and continue prescription drug coverage. And the plan is not "government-run" since beneficiaries choose coverage through either private drug benefit managers or Medicare managed care plans.

You will urge the drug industry to be more constructive as you work to forge a consensus on critical Medicare reform legislation. You will emphasize that America's elderly deserve more than the industry's evasive scare tactics.

- **Direct HHS to produce its first study on prescription drug costs and trends.** You will direct Secretary Donna Shalala to produce the first-ever Health and Human Services (HHS) study of prescription drug costs and trends for Medicare beneficiaries with and without coverage. The study, which will be released within 90 days, will investigate:

  - Price differences for the most commonly used drugs for people with and without coverage;

  - Drug spending by people of different ages, as a percentage of income and as a percentage of total health spending; and

  - Trends in drug expenditures by people of different ages, as a percentage of income and total health spending.

This study will build on two Administration studies released in 1999 that examined coverage patterns and trends for Medicare beneficiaries and decreases in Medicare managed care plan coverage of prescription drugs. You will also announce that you have directed your staff to produce a state-by-state analysis of the need for Medicare reform.

These reports will lay the foundation for an informed public debate about prescription drug coverage.

- **Announce that today you will send Congress legislation to reserve one-third of the non-Social Security surplus for Medicare and challenge the Congress to pass it.** In your radio address on October 23, you announced that you would send to Congress legislation that protects the Social Security surplus, extends the solvency of Social Security through 2050, and pays off the debt. Today, you will announce that this legislation will also reserve one-third of the non-Social Security surplus for Medicare. This reserve can be used to extend Medicare's solvency and help fund a prescription drug benefit. The precise allocation of these reserved funds will be left open to provide flexibility to develop a broad-based Medicare reform proposal that can generate bipartisan support. You will challenge Congress to pass the legislation you are submitting this week, emphasizing that it lays the foundation for necessary Medicare and Social Security reforms next year.

III. PARTICIPANTS

Briefing Participants:
Bruce Reed
Gene Sperling
Mary Beth Cahill
Loretta Ucelli
Chris Jennings
Lowell Weiss

Program Participants:
YOU
Secretary Donna Shalala
Coleen Kayden, Community Pharmacist

Coleen Kayden has been a practicing pharmacist in Lancaster County, PA for 21 years. The majority of her clients are elderly. In the course of her practice she sees many seniors who ration their medications because they are unable to afford to fill their prescriptions regularly.

Steven Callus, Senior and Medicare Beneficiary

Steven Callus is a 78 year-old retired government employee. He has supplemental healthcare coverage in addition to his Medicare coverage, but this does not include a prescription drug benefit. He spends between $1,000 and $2,000 annually on medications for a heart condition, diabetes, and high cholesterol, and has had to cut back on his expenses, including groceries, to pay for these prescriptions. His annual income is just over $25,000. He is very thankful that Medicare was there for his mother, and is now there for him, but he believes that it would be even more helpful if there was a prescription drug benefit.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced onto the stage, accompanied by Secretary Donna Shalala, Coleen Kayden, and Steven Callus.
- Secretary Donna Shalala will make brief remarks and introduce Coleen Kayden.
- Coleen Kayden, pharmacist, will make brief remarks and introduce Steven Callus.
- Steven Callus, Senior and Medicare beneficiary, will make brief remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and depart.

VI. REMARKS

To be provided by speechwriting.

September 7, 1999

HEALTHCARE EVENT

DATE:	September 8, 1999
LOCATION:	East Room
BRIEFING TIME:	2:00pm – 2:30pm
EVENT TIME:	2:45pm – 3:15pm
FROM:	Bruce Reed, Mary Beth Cahill, Chris Jennings

I. PURPOSE

To urge the Congress to pass the health care quality and coverage initiatives that have long been on the nation's agenda.

II. BACKGROUND

Today, at a White House event with a practicing family physician from Georgia, you will urge the Congress to make this fall a time of constructive achievement, not destructive politics. You will unveil a "health care checklist" detailing the work that still needs to be done, including passing: (1) a strong, enforceable, Patients' Bill of Rights; (2) Medicare reforms that strengthen and modernize the program; (3) long overdue medical records privacy protections; (4) health care options that empower Americans with disabilities to work free from concern over being uninsured; (5) legislation to increase the price of cigarettes and decrease the number of children who smoke; (6) increased funds for children's health insurance outreach; (7) critical provisions that provide Americans in need of long term care services or their caregivers financial assistance and support services; and (8) additional funds for essential public health priorities, such as biomedical research, mental health services, and Indian Health Services.

As you call on the Congress to move ahead, you will announce that you will take every administrative action possible in order to promote this important health care agenda. Today, you will announce that this fall, the Administration will release a proposed regulation to protect medical records privacy. You will also announce that with today's approval of the Children's Health Insurance Programs (CHIP) in Washington and Wyoming, all 50 states and every territory now have an approved CHIP program.

Urged the Congress to make the fall a season of health care legislative achievements. Underscoring the fact that there are numerous health care initiatives that have been considered for extensive periods of time and now have broad-based bipartisan support, you will challenge the Congress to pass:

- ✓ **The bipartisan Norwood-Dingell Patients' Bill of Rights, without weakening or harmful amendments.** Noting that the Norwood-Dingell Patients' Bill of Rights already has a bipartisan majority in the House, you will urge Speaker Hastert to schedule a vote on this broadly supported legislation. You will note that over 200 health care and consumer organizations, including the AMA, have already endorsed this legislation and outline your opposition to provisions that water down or threaten the bipartisan support it has already achieved.

- ✓ **Medicare reforms which strengthen and modernize the program.** You will praise Finance Committee Chairman Roth (R-DE) and ranking member Moynihan (D-NY) for committing to mark-up a Medicare reform package early this fall. You will urge Chairman Roth to maintain this timetable and pass a strong, bipartisan initiative that will make the program more competitive, provide adequate financing to extend the life of the trust fund, and modernize the benefit package, including the provision of a long overdue and optional prescription drug benefit.

- ✓ **Legislation protecting the privacy of medical records.** You will note that the statutory deadline for Congress to pass legislation in this area expired in August. You will state that you will uphold your commitment, made in the State of the Union Address, to release statutorily authorized regulations in the absence of Congressional action by no later than this fall. Although disappointed with the lack of action by the Congress, you will continue to encourage Congress to pass bipartisan legislation in this area in order to provide broader authority in this area.

- ✓ **The Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act.** This legislation, which would enable individuals with disabilities to go to work without losing their eligibility for Medicare and Medicaid, passed the Senate by a unanimous vote. The legislation already has bipartisan support and has been cosponsored by over 230 members of the House. You will also urge Speaker Hastert to immediately schedule a vote on this historic legislation.

- ✓ **Legislation to increase funding for children's health insurance outreach and provide critical health insurance coverage to eligible legal immigrants.** You will urge the Congress to pass your proposal to increase funding for outreach activities by extending the life of and uses of the $500 million fund for TANF-Medicaid outreach. You will also call on Congress to restore Medicaid eligibility to legal immigrant children, pregnant women, and SSI recipients. As he urged Congress to act to improve our success in covering children, you will announce the approval of the CHIP programs in Washington and Wyoming. With this announcement, all 50 states and every territory now have an approved CHIP program.

- ✓ **Legislation to increase the price of cigarettes and decrease the number of children who smoke.** You will reiterate the unacceptable fact that more than 400,000 Americans die each year from smoking related diseases and that almost 90 percent of them started smoking as teenagers. You will point out that increasing the cost of cigarettes is not only one of the most effective ways to prevent kids from starting to smoke, it is good fiscal policy. This is because revenue raised by this increase will help save the Social Security Trust Fund and maintain our commitment to the nation's parents and children.

- ✓ **Critically important long-term care initiative.** You will urge the Congress to pass a long-term care initiative to provide financial assistance, social support services, and new long-term care options to millions of Americans. Over five million Americans have significant limitations due to illness or disability and thus require long-term care. You will challenge the Congress to include these provisions in any tax bill they pass.

- ✓ **Additional funds for critical public health priorities.** You will urge the Congress to fund critical public health priorities, including new investments in biomedical and practice based research, mental health services, and the Indian Health Service. You will point out that these programs have traditionally received broad based, bipartisan support and emphasize that this year should be no different.

III. PARTICIPANTS

Briefing Participants:
Secretary Donna Shalala
Bruce Reed
Loretta Ucelli
Mary Beth Cahill
Chris Jennings
Lowell Weiss

Meet & Greet Participants:
Secretary Donna Shalala
Director Janice LaChance
Surgeon General David Satcher
Dr. Lanny Copeland (Albany, GA), Practicing Family Physician and President, American Academy of Family Physicians Congress of Delegates
Mica Copeland, spouse of Dr. Lanny Copeland

Program Participants:
YOU
Secretary Donna Shalala
Dr. Lanny Copeland

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will proceed to the Blue Room for a meet & greet.
- **YOU** will be announced, accompanied by Secretary Donna Shalala and Dr. Lanny Copeland, into the East Room.
- Secretary Shalala will make brief remarks and introduce Dr. Lanny Copeland.
- Dr. Lanny Copeland will make brief remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and depart.

VI. REMARKS

To be provided by speechwriting.

VI. ATTACHMENT

- Health Care Checklist

January 3, 1999

NEW INITIATIVE TO ADDRESS GROWING LONG-TERM CARE NEEDS AND SUPPORT FAMILY CAREGIVERS

DATE:	January 4, 1999
TIME:	10:30 am to 11:00 am (Pre-brief) 11:00 am to 11:15 am (Meet and Greet) +11:15 am to 12:10 pm (Event)
LOCATION:	Oval Office (Pre-brief) Blue Room (Meet and Greet) Grand Foyer (Event)
FROM:	Bruce Reed / Chris Jennings

I. PURPOSE

You are unveiling a new long-term care initiative to support Americans with long-term care needs and the millions of family members who care for them.

II. BACKGROUND

You will unveil a new, four-pronged $6.2 billion (over five years) initiative that takes important steps to address the complex needs of Americans with long-term care needs and their family members through:

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

- **Creating a new National Family Caregiver Support Program.** Recent studies have found that services like respite care can relieve caregiver stress and delay nursing home entry, and that support for families of Alzheimer's disease patients can delay institionalization for as long as a year. This new nationwide program, strongly advocated by the Vice President, would support families who care for elderly relatives with chronic illnesses or disabilities by enabling states to create "one-stop-shops" that provide: quality respite care and other support services; critical information about

community-based long-term services that best meet a families' needs; and counseling and support, such as teaching model approaches for caregivers that are coping with new responsibilities and offering training for complex care needs, such as feeding tubes. This program, which costs $625 million over five years, would serve approximately 250,000 families nationwide.

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

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

Expected Response From Validators. We expect aging advocacy organizations, like AARP and the Alzheimer's Association to be very supportive of your policy. The advocates appear to be impressed that your proposal recognizes the multi-faceted nature of the problems facing the nation's chronically ill and are pleased that you are focusing the initiative on all age groups rather than just the elderly. They will caution, though, that however positive this proposal is, it does not address all of the long-term care challenges facing the nation. We have assured them that we will not make such a claim; indeed, it would hurt us among independent validators as well as the Republican Congress, if we were proposing a much more expansive approach.

Role of the Vice President and Mrs. Gore. The Vice President and Mrs. Gore are participating in this event from the Triple "R", an adult day care program that is part of a successful California statewide caregiving program and that serves approximately 30 families in the Sacramento area. The California program, one of the four model caregiver support programs that currently exist, is similar to the National Family Caregiver Support Program that the Administration is launching nationwide today. The Vice President and Mrs. Gore, who will meet with a number of families with long-term care needs during your remarks, will join you via satellite at 11:40 am to discuss the experiences of these families and they validate the need for your long-term care initiative.

Program Participants

Patricia Darlak, who will introduce you at the event, is a Maryland resident who has recently assumed the responsibility of caring for her 83 year old mother. Mrs. Darlak is a special education teacher in Maryland. Her mother was diagnosed with Alzheimer's almost 2 years ago and has been living with the Darlaks for four months. She currently requires assistance with bathing, dressing, eating, and toileting. Mrs. Darlak had a great deal of difficulty finding information on how to obtain respite and adult day care services for her mother, and still has been unable to find a regular source of respite care. Presently, she drives home during her lunch break in order to check on her mother. She is very worried about the financial burden that caring for her mother creates, especially since she and her husband are still responsible for their two children, who are in college in Florida. The Darlaks would be eligible for the proposed tax credit and would benefit from the respite care, adult day care, and information and referral services provided by the proposed National Family Caregivers Support Program.

When they join you via satellite, the Vice President and Mrs. Gore will tell you about the following caregivers:

Barbara Cepeda-Adams is a 39 year old Hispanic woman who has cared for her father since 1994, when his Parkinson's disease made it impossible for him to continue to live by himself. Ms. Cepeda-Adams stopped working full time shortly after her father moved in with her and was forced to stop working altogether last January in order to care for him properly. Her father, Jesus Cepeda, currently requires assistance with bathing, dressing, eating, and toileting. He is incontinent and is unable to move around the house without assistance. Since Ms. Cepeda-Adams is no longer working, her husband has been the sole financial support for both her father and their two children, aged 6 and 10. Although Mr. Cepeda has a limited income, it does not come close to covering the expenses associated with his care. The Cepeda-Adams family has greatly benefited from the services provided by California's model statewide family caregiving resource program, and would be eligible for the new proposed tax credit.

James Burns has been caring for his wife Ruth since 1993, when she was diagnosed with Alzheimer's disease. He continues to work full time in order to provide for his wife's care. Currently, Ms. Burns requires assistance with bathing, eating, dressing, and toileting. She is unable to move around the house without assistance. Mr. Burns receives respite care services and has enrolled his wife in the adult day care program administered by Triple "R".

III. PARTICIPANTS

<u>Briefing Participants</u>
You
The First Lady
Secretary Shalala
Secretary Rubin
Janice LaChance
Bruce Reed
Gene Sperling

Chris Jennings

Program Participants (Washington, DC)
You
The First Lady
Secretary Shalala
Secretary Rubin
Janice LaChance
Patricia Darlak

Program Participants (Sacramento, CA)
The Vice President
Mrs. Gore

IV. PRESS PLAN

Information about the new initiative has been advanced to all major national papers for Monday. In addition, Secretaries Rubin and Shalala, together with Director LaChance, will brief members of the press at the beginning of Joe Lockhart's daily brieting.

V. SEQUENCE OF EVENTS

-- **You** and the First Lady, together with Secretary Rubin, Secretary Shalala, and Director LaChance, will spend 15 minutes meeting with Patricia Darlak in the Blue Room.

-- **You** and the First Lady, together with Secretary Rubin, Secretary Shalala, Director LaChance and Patricia Darlak, are announced into the Grand Foyer.

-- The First Lady delivers remarks and introduces Patricia Darlak.

-- Patricia Darlak delivers brief remarks and introduces **you**.

-- **You** deliver remarks.

-- The First Lady introduces the Vice President and Mrs. Gore via satellite.

-- **You** proceed to your seat.

-- The Vice President and Mrs. Gore deliver remarks. (**You** will ask follow-up questions to be provided by speechwriting).

-- Upon conclusion of the discussion, the Vice President makes concluding remarks and bids farewell.

-- **You** deliver concluding remarks and depart.

VI. REMARKS

Your remarks have been prepared by speechwriting.

VII. ATTACHMENTS

-- Background on the California program

CALIFORNIA'S STATEWIDE CAREGIVING RESOURCE PROGRAM

California is one of four states in the nation which provide model statewide family caregiving resource programs similar to the one that the Administration is launching nationwide today.

California's Department of Mental Health developed a program in 1984 to provide caregiver support services through eleven agencies statewide to provide support services for families caring for persons with Alzheimer's disease, Parkinson's disease, stroke, and traumatic brain injury. In 1996, California's Caregiver Resource Centers served over 10,000 family members and friends who care for loved ones suffering from Alzheimer's disease, stroke, Parkinson's disease, multiple sclerosis, traumatic brain injury, and other adult-onset, brain impairing diseases. The Centers' primary functions include the provision of respite care (e.g. in-home respite care, adult day services, or weekend respite camps), information, education, long-term planning, legal/financial consultations, training, and support groups.

Recent statewide assessments of this program have shown that the typical caregiver in California is 60 years old and most (76 percent) are women, and they typically provide about 10.5 hours per day of care. Depression continues to be a pervasive problem for caregivers; approximately six out of 10 caregivers in California's program have been diagnosed with depression.

THE WHITE HOUSE

WASHINGTON

July 14, 1998

PATIENT'S BILL OF RIGHTS ROUND TABLE DISCUSSION

DATE:	July 15, 1998
LOCATION:	American Medical Association
BRIEFING TIME:	1:15 pm - 1:45 pm
EVENT TIME:	2:00 pm - 3:00 pm
FROM:	Bruce Reed/Chris Jennings

I. PURPOSE

To highlight your commitment to pass a strong, enforceable Patient's Bill of Rights and to hear first hand accounts on the need for federal legislation. You will also announce that the Veteran's Administration is taking new steps to implement an external appeals process for the 3 million veterans they serve.

II. BACKGROUND

You will chair a round table discussion with doctors, nurses, and family members of patients around the nation who highlight the critical need for Congress to pass a strong enforceable patients' bill of rights this year.

This event will be hosted by the American Medical Association, which strongly supports pass an enforceable patients' bill of rights and has endorsed the Dingell/Ganske/Kennedy legislation.

You will announce that the Federal government is continuing to lead the way in implementing the patients' bill of rights for the 85 million Americans in Federal health plans. You will announce that today the Department of Veteran Affairs is sending a letter to all veteran's health facilities stating that they are implementing an external appeals process for the 3 million veterans served by the VA. This new external appeals process builds on the other protections already in place at VA, including one of the most extensive internal appeals processes in the country. In February, you signed an Executive Memorandum to bring all Federal health plans, which serve 85 million Americans, in compliance with the patients' bill of rights.

There has been more activity on the patients' bill of rights in the last three days than in the last seven months. The House Republican Leadership is planning to release statutory language on their bill no later than Thursday. Senators Graham and Chafee intend to

release their proposal soon after the Senate Republican Leadership introduce their bill, which we just heard will occur tomorrow. The Hill is also holding two patients' bill of rights events in the next two days: tomorrow, they are holding a mock hearing in the morning with patients; and Thursday the Democratic Leadership and Congressman Ganske are participating in an event with you on the Hill to highlight the differences between the bipartisan legislation (Ganske/Dingell/Kennedy) and the Republican proposals.

Because the Senate Leadership will be unveiling their legislation tomorrow, you may be asked to comment on this proposal. Currently, we do not have the details of their legislation, except that we expect that it will have more patient protections than the House Republicans and a stronger enforcement mechanism. We will brief you on the substance of their proposal tomorrow. Although you will likely have to comment on the new Senate proposal, we would recommend you use tomorrow's event to emphasize the problems of managed care that the patients' bill of rights addresses, rather than the differences in various legislative proposals.

As you know, the legislation you have been calling for would include the following patient protections: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity of care protections to assure patient care will not abruptly change if their provider is dropped; access to a timely internal and independent external appeals process for consumers to resolve their differences with their health plans; a limit on financial incentives to doctors; assuring that doctors and patients can openly discuss treatment options; assuring that women have direct access to an OB-GYN.

III. PARTICIPANTS

Briefing Participants:
Secretary Shalala
Bruce Reed
Chris Jennings

Event Participants:
Mary Kuhl, her husband died at age 45 after being delayed necessary heart surgery because the hospital that could perform the surgery was out of his network, even though doctor after doctor said no doctor in the health plan was prepared to do this surgery. By the time the surgery was finally approved, his heart had deteriorated too much to withstand surgery and his only option was a heart transplant. He died three months later while waiting for a heart transplant. The patients' bill of rights would have assured this man access to the specialist he needed in time to save his life.

David Garvey, his wife was in Hawaii on vacation when she was diagnosed with 'aplastic anemia'. Her HMO in Chicago would not allow her to receive the treatment she needed unless she returned to Chicago, despite the fact that the doctor caring for her in Hawaii said she should not be moved in this emergency situation. She flew back commercially to Chicago, and due to pressure changes had a stroke on the plane. As a result, she then developed a fungal disease which ultimately killed her 7 days later because she did not have the immune system to protect herself from contaminants in the airplane. It was later uncovered that the physician assigned to the case from the HMO also recommended the Ms. Garvey not be moved. However, 40 minutes after that recommendation was filed, that physician was transferred off the case and the new physician assigned recommended that she return to Chicago. This case highlights the need for a protection that assures that patients can be treated for an emergency when and where the need arises. Ms. Garvey was clearly in an emergency condition where she should not have been moved to an in-network hospital.

Mick Fleming, his sister, Rhonda Bast, was diagnosed with breast cancer, and then lung cancer. Her doctors prescribed a bone marrow treatment in conjunction with chemotherapy, which, after 3 months of review, the HMO denied. Mr. Fleming is a lawyer and became involved in his sister's review. After discovering that the HMO had been required to provide this coverage as part of its standard medical policy, Mr. Fleming sent a letter to the HMO requesting immediate review. Two weeks later, the HMO agreed that the treatment Ms. Bast was seeking was, in fact, covered under her policy and that discovered that the hospital allegedly contracted with the HMO received was not allowed to notify that the HMO covered this treatment. However, at this point 6 months had passed and her cancer had spread to her brain, and she was no longer eligible for the life-saving treatment.

Carol Anderson, Billing Manager for Oncology practice. Carol interacts with HMOs on behalf of patients nearly every day. She regularly submits requests for treatment recommended by the doctors in her office, and sees many of these treatments denied without any recourse for patients. She will discuss specific instances where denials have led to unnecessary suffering, including delays and denials that ended up costing a 12-year-old cancer patient his leg.

Dr. Jack Evjy, a Medical Oncologist and Ameritus Medical Director of the Holy Family Hospital Cancer Management Center in Methuen, MA, and Clinical Professor of Medicine, at Boston University School of Medicine in Boston. He is also President-elect of the Massachusetts Medical Society, which publishes the New England Journal of Medicine. Dr. Evjy has been an Oncologist for 30 years and will discuss the many patients he has seen that have been denied access to a specialist by their health plan.

Dr. Nancy Dickey, President of the American Medical Association. Dr. Dickey is a family physician and is the first women elected President of the AMA. She will discuss the AMA's support for a strong, enforceable Patient's Bill of Rights, as well as her personal experiences with patient's insured by managed care.

Beverly Malone, President of the American Nurses Association. She will discuss the impact she has seen on individuals denied the protections in the patient's bill of rights proposal. The ANA supports the passage of a strong enforceable Patient's Bill of Rights. Beverly served as a member of your Advisory Commission on Quality and Consumer Protection.

Seated at table without speaking role:
Secretary Shalala
Secretary Herman

Seated in Audience
Dr. Ken Kizer, Director of Veteran's Health Agency at the Veteran's Administration
Members of victims families
Counsel for victims
Members of the Board of the AMA

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced into room accompanied by round table participants.
- AMA President Nancy Dickey will make welcoming remarks.
- **YOU** will deliver an opening statement.
- **YOU** will then call on participants to speak individually. You will have the opportunity to ask follow up questions for each participant. **[*Specific sequence attached.]**
- At the conclusion of the discussion, you will make informal closing remarks and thank Dr. Dickey, AMA President, for hosting the event.
- **YOU** will then briefly greet members of the audience and depart.

VI. REMARKS

Opening Remarks Provided by Speechwriting.

SEQUENCE FOR ROUND TABLE ON PATIENTS' BILL OF RIGHTS

- **Dr. Nancy Dickey**, AMA President, will make brief welcoming remarks.
- **YOU** will deliver opening remarks, and call on each participant to speak about their personal experiences with their health plan or in their role as health care providers.

Mary Kuhl, Kansas City, Kansas

Mary Kuhl's husband, Buddy Kuhl, died at age 45 after being denied necessary heart surgery because the hospital that could perform the surgery was not in his HMO's network. Months later, after several doctors recommended the same treatment, the health plan finally scheduled the surgery - but it was too late. He was no longer able to withstand the surgery.

Applicable patient protections:

- Access to specialists outside of a network when in-network specialists cannot provide the approved services.
- Information disclosure requirements to assure patients are aware of their benefits or any timely appeals process.
- No remedy for compensation under ERISA.

Suggested Question: You seem pleased with the doctors that treated your husband. Do you believe that the health plan was micromanaging your relationship with your doctors?

David Garvey, Chicago, Illinois

Mr. Garvey's wife, Barbara, was in Hawaii on vacation when she was diagnosed with 'aplastic anemia'. Her HMO insisted she be flown back to Chicago in order for her to receive treatment by a hospital within her HMO network, despite the pleading of the doctor treating her in Hawaii. She had a stroke on the plane and died one week later.

Applicable patient protections:

- Patients should be assured access to services out-of-the-network if there is not a sufficient in-network specialist available for a necessary treatment.
- Patients should have the right to emergency room services when and where the need arises.
- Patients should be assured that they are being told all of their treatment options not just the cheapest.

Suggested Question: Did your health plan give you confidence that your wife would be able to travel back to Chicago healthy?

Dr. Jack Evjy, Oncologist and Medical Director of the Holy Family Hospital Cancer Management Center in Methuen, MA, and Clinical Professor of Medicine, at Boston University School of Medicine. He is also President-elect of the Massachusetts Medical Society, which publishes the New England Journal of Medicine. Dr. Evjy will discuss the many patients he has seen that have been denied access to needed specialists by their health plans.

Applicable patient protections:

- Patients should have access to the specialists they need.

Suggested Question: ***You have been oncologist for 30 years, what do you do when an health plan refuses your request for a patient to see a specialist? Are there options? What are your greatest concerns when a patient is denied access to a specialist?***

Beverly Malone, R.N., President of the American Nurses Association.
Beverly Malone will discuss the impact she has seen on individuals denied the protections in the patient's bill of rights proposal. The ANA supports the passage of a strong enforceable bipartisan Patient's Bill of Rights. Beverly served as a member of the President's Advisory Commission on Consumer Protections and Quality in the Health Care System.

Suggested Question: ***Nurses are on the front lines of our nation's health care system. What impact do these types of experiences have on the confidence Americans have in their health care? How are the patients you are seeing being affected?***

Mick Fleming, Seattle, Washington
His sister, Rhonda Bast, was diagnosed with breast and lung cancer. After three months of reviewing her case the health plan denied her the bone marrow/chemotherapy treatment prescribed by her doctors, even though the treatment was covered under her policy. By the time they approved her claim, the cancer had spread to her brain and she could no longer withstand treatment. She died within a year.

Applicable patient protections:

- Timely and responsive expedite appeals process, so that these cases are resolved.
- Information disclosure so that patients know what benefits are covered and that they may have access to an appeals process.
- Had no remedy for compensation under ERISA.

Suggested question: ***Mr. Fleming you are well-educated as an attorney. Did you find it easy to navigate the system? Did you know all of the options that might be available to your sister? What do you think is the most important patient protection to ensure that your sister's situation does not happen to others?***

Carol Anderson, Billing Manager at Oncologist office.
Ms. Anderson requests authorization from health plans on a daily basis for treatments and sees numerous claims denied -- even when doctors are urging the treatment.

Applicable patient protections:

- Access to a timely appeals process when disagree with health plans decisions.
- Access to the specialists they need.
- Access to ob-gins.

Suggested Question: ***How many of the claims you submit are denied? How many are accepted the second time? What do you do when these people are denied the care they need or access to specialists?***

THE WHITE HOUSE

WASHINGTON

July 6, 1998

HEALTH CARE PORTABILITY EVENT

DATE:	July 7, 1998
LOCATION:	Grand Foyer
BRIEFING TIME:	1:30 pm (Oval Office)
EVENT TIME:	2:00 pm - 3:00 pm
FROM:	Bruce Reed/Chris Jennings

I. PURPOSE

To issue an Executive Memorandum to stop health plans from violating the protections of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

II. BACKGROUND

As we arrive at the one year anniversary of the implementation of the Kassebaum-Kennedy legislation, there have been reports that some health insurers are circumventing the HIPAA protections. Reportedly, some insurers are giving their agents incentives to avoid enrolling qualified Americans with pre-existing conditions and/or are delaying processing applications to the point that eligible applicants have a sufficient break in coverage to lose eligibility for Kassebaum-Kennedy protections. Such actions are inconsistent with the letter and the spirit of the 1996 law.

At this event you will be taking the following actions to crack down on insurers who violate the Kassebaum-Kennedy protections:

- **Direct OPM to Ensure Health Plans Are In Compliance With Kassebaum-Kennedy In Order to Participate in Federal Employees Health Benefits Program (FEHBP).** In order to be eligible to participate in the FEHBP, insurance carriers subject to HIPAA will have to certify in writing to OPM that they are providing access to health insurance consistent with the Kassebaum-Kennedy protections.

- **Direct OPM to Take Action, Up To and Including Termination, of Health Plans That Delay or Deny Coverage to Americans Eligible Under HIPAA.** To ensure compliance with HIPAA, you will direct OPM to take all appropriate actions -- up to and including termination of a participating health plans from

FEHBP. This action will help ensure that the 350 participating carriers in this program, who serve 9 million enrollees, are providing access to health insurance to all Americans eligible under the important 1996 law.

- **Direct HCFA to Report Any Abuses to OPM.** You will also direct HCFA to report to OPM immediately any actions taken by an insurer or insurer representative that in any way precludes or inhibits access to the insurance protections provided under HIPAA. Such referrals would not alter HCFA's obligation to utilize any other enforcement tools at their disposal.

- **Initiate New Collaboration With the National Association of Insurance Commissioners (NAIC) to Help Stop Abuses.** You will be introduced by the President of the NAIC, Glenn Pomeroy, who will announce NAIC's commitment to help identify and report to OPM any insurers they discover who are denying or delaying providing individuals the Kassebaum-Kennedy protections.

- **Request HHS and Labor Departments Report on the Successes and Shortcomings of HIPAA.** You will also request Secretary Shalala and Secretary Herman to report back within six months on specific legislative or regulatory recommendations that would be necessary to further strengthen this law.

These steps build on your earlier directive to HHS to issue strong warnings regarding unacceptable insurance practices. When you first learned of efforts to circumvent the HIPAA law you asked HHS to take steps to stop health plans and their agents from such harmful practices. HCFA responded by immediately releasing a strong guidance bulletin on March 18th to insurance commissioners around the nation. This bulletin advised insurers that delaying or denying health care coverage to Americans eligible for insurance under HIPAA was unlawful and inappropriate and underscored the Federal Government's commitment to ensuring compliance. Today, you are taking even further enforcement actions to ensure that health plans do not violate these protections.

III. PARTICIPANTS

Briefing Participants:
Bruce Reed
Rahm Emanuel
Chris Jennings
Larry Stein
Thurgood Marshall, Jr.

Event Participants:
The Vice President
Glenn Pomeroy, President of the National Association of Insurance Commissioners and State Commissioner of North Dakota. He is the brother of Congressman Earl Pomeroy.

Seated on stage:
Secretary Shalala, HHS
Director Janice LaChance, OPM
Administrator Nancy Ann Min DeParle, HCFA
Senator Kennedy

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced into the Grand Foyer accompanied by the Vice President, Glenn Pomeroy, Secretary Shalala, Director LaChance, Administrator DeParle, Senator Kennedy.
- The Vice President will make remarks and introduce Glenn Pomeroy, NAIC President.
- Glenn Pomeroy will make remarks and introduce **YOU**.
- **YOU** will make remarks and then depart.

VI. REMARKS

Remarks Provided by Speechwriting.

PRESIDENT CLINTON ISSUES EXECUTIVE MEMORANDUM TO STOP HEALTH PLANS FROM VIOLATING KASSEBAUM-KENNEDY PROTECTIONS
July 7, 1998

Today, following the one year anniversary of the implementation of the Kassebaum-Kennedy legislation, the President issued an Executive Memorandum directing the Office of Personnel Management (OPM) to take action to ensure compliance with the Kassebaum-Kennedy law. It would not only require health insurers to comply with the 1996 law in order to participate in the Federal Employees Health Benefits Program (FEHBP) but to take all actions necessary -- up to and including termination against insurers that violate the protections afforded by the Health Insurance Portability and Accountability Act (HIPAA). The President also announced that the Health Care Financing Administration (HCFA) and the National Association of Insurance Commissioners (NAIC) will forward any reports of violations to OPM, allowing the agency to take strong actions against these health plans.

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

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

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

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

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

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

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

These Actions Build on the President's Commitment to Assuring That HIPAA Provides Millions of Americans Access to Health Insurance.

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

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

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

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

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

THE WHITE HOUSE

WASHINGTON

May 27, 1998

PATIENTS' BILL OF RIGHTS EVENT

DATE:	May 28, 1998
LOCATION:	450 OEOB
BRIEFING TIME:	9:15 am - 9:45 am
EVENT TIME:	9:50 am - 10:50 am
FROM:	Bruce Reed

I. PURPOSE

To highlight the need for a federal Patients' Bill of Rights, and to demonstrate the special importance of these protections for women.

II. BACKGROUND

You will announce the release of a White House report pointing out the need for federal patients' rights legislation. As the report documents, a patchwork of non-comprehensive state laws cannot provide Americans with the protections the Quality Commission recommended. Even if states were to pass all of the patient protections in the "Consumer Bill of Rights," states do not have full authority over the 122 million Americans who are in health plans that are governed by ERISA. States have no ability to protect the 50 million Americans in ERISA self-funded health plans, and states have limited authority over the 72 million Americans in fully-insured ERISA plans. Therefore, even if each state in the nation were to pass a comprehensive patients' bill of rights, millions of Americans would be without the full range of patient protections recommended by the Quality Commission

The report also demonstrates the particular importance of the protections in the Patients' Bill of Rights to women. Women are more frequent users of health care services than men, and they have specific health needs that are directly addressed by the patients' bill of rights. For example, the Quality Commission's recommendation that women have direct access to an obstetrician/gynecologist is not only necessary to make sure that pregnant women get the care they need, but is also important to ensure that women obtain important preventive services. Studies show that gynecologists are almost two times as likely as internists to perform needed women's preventive services, such as pelvic exams, Pap tests, and breast exams.

In addition to their own health needs, women are also more likely to be responsible for the health care of others. Women make three-quarters of the health care decisions for their families and are more likely to be caregivers when a child, parent, or spouse is ill. Therefore, patient protections that ensure that health plans and health providers provide information and appeals rights are particularly important for women.

This report underscores the urgent need for Congress to pass a bipartisan federally enforceable Patients' Bill of Rights this year. Attending this event will be: approximately 100 health care advocates, providers and practitioners, and women's health advocates.

III. PARTICIPANTS

Briefing Participants:
The Vice President
Secretary Shalala
Secretary Herman
Bruce Reed
Chris Jennings

Event Participants:
The Vice President
Secretary Shalala
Secretary Herman
Dr. Regina Benjamin, Family Physician on the Board of Directors of AMA, who strongly supports a federal patients' bill of rights.
Ricka Powers, a woman recently diagnosed with cancer.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will be announced into the room accompanied by the Vice President, Secretary Shalala, Secretary Herman, Dr. Regina Benjamin, and Ricka Powers.
- Secretary Shalala will make remarks and introduce Secretary Herman.
- Secretary Herman will make remarks and introduce Dr. Regina Benjamin.
- Dr. Regina Benjamin will make remarks and introduce the Vice President.
- The Vice President will make remarks and introduce Ricka Powers.
- Ricka Powers will make remarks and introduce **YOU**.
- **YOU** will make remarks, work a ropeline, and then depart.

VI. REMARKS

Remarks provided by Speechwriting.

THE WHITE HOUSE

WASHINGTON

September 14, 1997

ADDRESS TO THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU)

DATE:	September 15, 1997
LOCATION:	Grand Hyatt Hotel
BRIEFING TIME:	10:35 am - 10:50 am
EVENT TIME:	11:00 am - 12:00 pm
FROM:	Bruce Reed Chris Jennings

I. PURPOSE

To demonstrate your commitment to improving health care quality and eliminating fraud and abuse before the SEIU Legislative Conference.

II. BACKGROUND

You will be addressing approximately 800 members of SEIU at their annual Political and Legislative Conference. SEIU is the third largest union in the AFL-CIO, and the largest union of health care workers. The majority of SEIU's members work in the fields of health care, public service, or janitorial service.

Vice President Gore is attending the SEIU Council of President's Reception the weekend prior to your speech. Dr. Julian Malveaux will be addressing the conference the morning of your speech. Rep. Gephardt will be addressing the Conference later in the week.

Andrew Stern has been President since April 1996. You have met with him twice at the White House, most recently in a meeting with other union leaders on the issues surrounding granting a welfare waiver to Texas. Secretary Treasurer Betty Bednarczyk also serves on the Health Care Quality Commission.

In your speech you will be making the following announcements:

- **Home Health Care.** In response to the extreme growth of home health agencies participating in the Medicare program (nearly 100 new agencies a month), you will be announcing three new initiatives to ensure accountability and combat waste, fraud, and abuse in home health care:
  (1) impose the first-ever moratorium on the entry of new home health agencies into

Medicare until new safeguards are in place (about six months);
(2) establish a new re-certification requirement for home health agencies every three years. Currently, there is no re-certification process and the only way a home health agency can be kicked out of Medicare is if it is convicted of fraud; and
(3) nearly double the number of audits HCFA will perform on home health agencies, and increase claims reviewed by 25 %.

- **Quality**. You will call on Congress to act immediately to pass legislation currently pending on the Hill to improve the quality of our health care system. Specifically, you will reiterate your support for three pieces of pending legislation that would:
(1) Ban gag rules in private sector health plans. (You already took this action with respect to Medicare and Medicaid);
(2) End drive-through mastectomies to ensure health plans allow women to stay in the hospital for at least 48 hours after surgery; and
(3) Prevent health plans from discriminating based on genetic information. (You will also state that the Administration will be releasing recommendations later this year to prevent employers from discriminating based on genetic information.)

- **Privacy.** You will announce a new challenge to Congress to enact proposals recommended by HHS last week to protect the privacy of health care information. These proposals would increase consumer rights regarding the use of health information, punish those who misuse personal information, and provide redress for people harmed by its misuse.

III. PARTICIPANTS

Briefing Participants:
John Podesta
Bruce Reed
Chris Jennings
June Shih

Event Participants:
Andrew Stern, SEIU President

Participants seated on stage:
Betty Bednarczyk, Secretary-Treasurer
Patricia Ford, Executive Vice President
Eliseo Medina, Executive Vice President
Paul Policicchio, Executive Vice President

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- You will be greeted by SEIU President Andrew Stern and family. (NOTE: His daughter Cassie will be turning nine years old that day.)
- You will be announced onto the stage accompanied by Andrew Stern.
- SEIU President Andrew Stern will make remarks and introduce you.
- You will make remarks and depart.

VI. REMARKS

Remarks Provided by June Shih in Speechwriting.

Document No.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 9/14/97 ACTION/CONCURRENCE/COMMENT DUE BY: 9/15/97 8:30

SUBJECT: REVISED SEIU REMARKS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
BOWLES	✓		McGINTY		
McLARTY			NASH		
PODESTA	✓		RADD		
MATHEWS	✓		REED	✓	
RAINES			RUFF		
BLUMENTHAL	✓		SMITH	✓	
BERGER			SOSNIK	✓	
ECHAVESTE	✓		SPERLING	✓	
EMANUEL	✓		STREETT		
GIBBONS			TARULLO		
HILLEY			VERVEER		
IBARRA			WALDMAN	✓	
KLAIN			YELLEN		
LEWIS			BEGALA	✓	
LINDSEY	✓		Chris Jennings	✓	
MARSHALL	✓		Elena Kagan	✓	

REMARKS: Comments to June Shih x 65640

RESPONSE:

Staff Secretary
Ext. 6-2702

Draft 9/14/97 5 p.m.

PRESIDENT WILLIAM J. CLINTON
REMARKS BEFORE THE SERVICE EMPLOYEES INTERNATIONAL UNION
WASHINGTON, D.C.
SEPTEMBER 15, 1997

Acknowledgments: Andy Stern, SEIU president; Executive V.P.s: Pat Ford, Eliseo Medina, Paul Policicchio [paul-ih-CHEEK-ee-oh]; Betty Bednarcyzk [bed-nar-chick] Sec.-Treas.; Karen Tramontano, one of SEIU's most valuable contributions to my Administration.

It's great to be back with the SEIU, back at the heart, soul and future of the American labor movement. American labor is back and growing stronger -- and the SEIU is 'leading the way.' [*their slogan*] You are fighting for better wages, safer workplaces, more full-time jobs and a brighter future for all working families. And you're winning. The new life, new energy and new creativity that is sweeping American labor began right here -- and I thank you.

Because of your leadership and continued involvement in the political process, America is also back. I've come here today to thank you for your efforts on behalf of working Americans and to share with you what I think we must do to strengthen families, to strengthen American health care, and to strengthen protections against fraud in Medicare so that it will serve America well into the 21st century.

Six years ago, when I announced my candidacy for president, I said that our mission as a people would be to keep the American Dream alive for all who would work for it; to keep America the world's strongest force for peace, freedom and prosperity; and to bring our own people together across the lines that divide us, to build One America. America's oldest and most enduring values -- opportunity for all, responsibility from all, a community of all -- these things had to remain strong and vibrant in new and changing times that required a new course of action.

We put in place a bold new economic course to shrink the deficit, expand exports, and invest in our people and their future. Look at the results: Nearly 13 million new jobs. Unemployment less than 5%. Poverty is down. Welfare rolls are shrinking.

After decades of working harder and longer for lower wages, millions of Americans are beginning to see a raise in their paychecks -- and it's about time. American families are earning nearly $1,600 more than they did when I first took office. With your help, last year we raised the minimum wage because no hard-working parent should have to support a family on just $4.25 an hour. And with your help, family incomes will continue to rise.

This is a time of prosperity and optimism in America. But we cannot rest; we have more to do to make sure that all Americans can reap the rewards of our growing economy. And that must include expanding access to quality health care.

We cannot go strong into the 21st Century if millions of Americans go to bed every night worrying whether their sons and daughters and parents will get the care they need when they become sick or injured. We cannot go strong into the 21st Century if Americans in managed care programs are treated as dollar signs on a ledger instead of human beings. We cannot go strong into the 21st Century if money that should go to serving Medicare and Medicaid patients are diverted by fraud and abuse. America has the best health care system in the world and we must continue to make sure that all Americans can share in its excellence.

I am proud to be the first President in a generation to try to provide health care to every American. While we didn't succeed the first time around, that is still my goal. And step by step, we are getting there.

Because you fought for and I signed the Family and Medical Leave Act, millions of American workers no longer have to make the impossible choice between caring for a sick child and keeping a job.

Because you fought to save Medicaid and I vetoed the legislation written by those bent on dismantling our social safety net two years ago, millions of our most vulnerable citizens -- millions of poor children, pregnant women, disabled and older Americans still have quality health care.

Because you fought for and I signed the Kennedy-Kassebaum bill, no American worker can lose access to health insurance when he or she changes jobs; and no one can be denied health insurance because of a pre-existing health condition.

And because you fought with me to bring health care to millions of uninsured children -- many of whose parents are working full-time at low wage jobs -- we have a reached a new milestone in health reform. The historic balanced budget I signed this summer contains $24 billion for new children's health insurance. It is the single largest investment in health care since the passage of Medicaid in 1965. Now, up to five million children will get the meaningful health care they need and deserve -- everything from regular checkups to major surgery -- to grow into healthy, strong and productive citizens.

In the coming months, you and I must work to ensure that this legislation is not just an empty promise from Washington. We must work closely with states, with local communities and with children's advocates to make sure that this investment reaches and protects every single child it's intended to cover. Let's not waste this opportunity.

We must also take decisive steps to address the challenges of a constantly evolving health industry. First, we must act to protect health care consumers. Whether they have traditional health care or managed care, we must make sure that none of our people ever have inferior care. That is why I have directed the non-partisan Quality Commission to write a Consumer Bill of Rights. We also know that the rapid changes in the industry have been difficult for health care

workers and that those of you working on the front lines know better than anyone else what we must do. That's why I appointed Betty Bednarczyk [bed-nar-chick] to the Commission. And I know she is doing a great job.

Second, Congress must do its part by passing long overdue legislation to improve health care, right away. It should ban gag rules in private health care plans -- just as I did in Medicare and Medicaid -- so that patients have the right to know about the best medical treatment, not just the cheapest. It should ban horrifying drive-through mastectomies, just as it banned drive-through baby deliveries. I've called for this legislation in the State of the Union, the First Lady and many others have worked hard on this issue, and yet Congress still has not held a hearing. It's time to act.

I also call upon Congress to ensure that new advances in science are used only to help people, by making it illegal for health companies to deny or drop coverage or raise rates based on genetic information. And Congress should follow the new medical privacy guidelines we issued last week and pass legislation to make sure that the records now stored in computers stay just as confidential as records locked in a file cabinet have always been.

Third, health care in our country will never be as strong as it can be unless we strengthen our efforts to root out fraud and abuse in Medicare. These scams amount to an unfair "fraud tax" on all taxpayers. And for those of you who work in the health care industry, they cost public confidence in the important work you do. I know that home health care workers want to put a stop to fraud and abuse -- and I look forward to working with you. We have assigned more prosecutors and FBI agents to fight health care fraud than ever before. Convictions are up 240 percent and we have saved taxpayers some $20 billion.

Home health care is one of our country's fastest-growing industries. Every month, nearly 100 home health providers enter Medicare. And there is overwhelming evidence of widespread fraud and abuse. This must stop.

The best way to stop fraud is to keep scam and rip-off artists from getting into the Medicare system in the first place. So today I am declaring an immediate moratorium on the admission of new home health agencies to Medicare. During this moratorium, we will develop tough new regulations to ensure that no fly-by-night home health providers enters or remains in our Medicare program. I am requiring all home health agencies to re-enroll every three years so that they too, will abide by these standards. And we will double the number of audits to make sure that home health agencies currently enrolled in Medicare stay honest.

Medicare is the way we honor our parents and strengthen our families. That is why I fought for and won the comprehensive reforms Medicare needed to stay strong for another decade. And that is why we cannot tolerate the fraud that robs taxpayers and harms our parents.

You know, earlier today, I said I saw the future of the American labor movement in this

audience. Well let me add that I also see the future of America in every one of you -- people who have come together across racial, professional and geographic lines to fight for a common cause, a better America. As you know, I have called upon all Americans to join me in a great national conversation about race. I hope you will help lead this conversation.

My fellow Americans, we are less than three years away from a new century. If we continue to create opportunity, continue to expand access to high quality health care, to come together as One America, then America will be stronger and more united than ever.

And with your help, I know we will get there.

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MEMORANDUM

September 15, 1997

TO: Bruce, Elena

FR: Chris and Sarah

RE: Paper for SEIU speech

Attached is the background paper for the President's SEIU speech today including:

(1) One-pager on fraud announcement;

(2) One-pager on the President's overall accomplishments in fraud;

(3) One-pager on legislation on quality and consumer protections the President is urging Congress to pass today; and

(4) Q&As

Please call with any questions.

PRESIDENT CLINTON UNVEILS NEW WEAPONS TO FIGHT FRAUD IN HOME HEALTH CARE

Today President Clinton added three new weapons to the anti-fraud arsenal to combat fraud and abuse in the home health industry. The President announced: (1) an immediate moratorium on all new home health providers coming into the Medicare program; (2) a new renewal process for home health agencies currently in the program; and (3) a doubling of audits that will help weed out bad apple providers. These actions are consistent with recommendations by the Inspector General at the Department of Heath and Human Services following a recent report on fraud in the home heath care industry.

DECLARING A FIRST EVER MORATORIUM TO STOP HOME HEALTH PROVIDERS FROM ENTERING THE PROGRAM. The moratorium will give the Administration the opportunity to implement new regulations to provide better safeguards and protections to screen out problem home health providers. This action is consistent with strong evidence that the best way to stop fraud and abuse in our Medicare program is to prevent bad apple providers from ever entering the program. Home health care is the most rapidly expanding part of Medicare, with nearly 100 new home health providers entering Medicare each month. This moratorium -- which will authorize the Department to grant exceptions for areas of the country with no access to home health care services -- will be in place about six months until a new regulation. It will enable HHS to implement regulations to help prevent risky providers including:

- **Posting surety bonds of at least $50,000:** Home health agencies will be required to post surety bonds of at least $50,000 before they can enroll or re-enroll in Medicare. Surety bonds have proved to be an effective way to prevent bad apple providers from entering Florida's Medicaid program;

- **Requiring a minimum number of patients prior to seeking Medicare enrollment:** This will require home health agencies to establish an agency's experience in the industry before serving Medicare enrollees; and

- **Targeting home health agencies more likely to abuse Medicare:** This regulation will require home health agencies to submit detailed information about all of the businesses they own. This will ensure they do not use shaky financial transactions to exploit Medicare, such as preventing billing through companies that do not exist or are unauthorized to bill Medicare for services. This loophole allowed one home health agency in Georgia to defraud Medicare of $16.5 million before being found and convicted.

IMPOSING TOUGH NEW STANDARDS ON HOME HEALTH AGENCIES THROUGH A NEW REENROLLMENT PROCESS. Under this new rule, HCFA will re-enroll home health providers every three years. Home health agencies will be required to submit an independent audit of its records and practices at the time of re-enrollment. The new regulations HHS will implement during the moratorium will apply to all home health agencies -- making it easy to kick out fly-by-night operators who are more likely to cheat Medicare. Currently HCFA can kick providers out of Medicare only if they have been convicted of fraud.

DOUBLING THE NUMBER OF AUDITS AND INCREASING CLAIMS REVIEWS TO WEED OUT BAD APPLE PROVIDERS. HCFA will nearly double the number of comprehensive home health agency audits it performs each year -- from approximately 900 to 1800. They will also increase the number of claims reviews by 25 percent from 200,000 to 250,000. This increased oversight will build on HHS efforts already underway to increase investigations, prosecutions, and audits under Operation Restore Trust, the Department's comprehensive initiative.

PRESIDENT CLINTON ADDS THREE NEW WEAPONS TO BUILD ON STRONG RECORD OF FIGHTING FRAUD AND ABUSE

Today President Clinton added three new weapons to the anti-fraud arsenal to combat fraud and abuse in the home health industry. The President announced: (1) an immediate moratorium on all new home health providers coming into the Medicare program to allow the Health Care Financing Administration to implement new regulations to prevent fly-by-night providers from entering Medicare; (2) a new renewal process for home health agencies currently in the program to ensure that all Medicare providers have to abide by these tough new regulations; and (3) a doubling of audits that will help weed out bad apple providers. These actions are consistent with recommendations to reduce fraud in home health by the Inspector General at the Department of Heath and Human Services following a recent report on fraud in the home heath care industry. These new initiatives build on the President's unprecendented record of fighting fraud and abuse in Medicare and Medicaid.

Took Strong Action to Fight Fraud and Abuse Right When He Took Office. The President's first budget closed loopholes in Medicare and Medicaid to crack down on fraud and abuse. In 1993, the Attorney General put fighting fraud and abuse at the top of the Justice Department's agenda. Through increased resources, focused investigative strategies and better coordination among law enforcement, the Justice Department increased the number of health care fraud convictions by 240 percent between FY1993 and FY1996 and we have saved taxpayers more than $20 billion.

Launched Operation Restore Trust -- a Comprehensive Initiative to Fight Fraud and Abuse in Medicare and Medicaid. Two years ago the Department of Health and Human Services launched Operation Restore Trust, a comprehensive anti-fraud initiative in five key states. Since its inception, Operation Restore Trust has identified $23 for every one dollar invested; identified more than $187.5 million in fines, recoveries, settlements, audit disallowances, and civil monetary penalties owed to the Federal Government.

Obtained Additional Resources to Fight Fraud and Abuse When the President Signed Into Law Kassebaum-Kennedy Legislation. In 1996, the President signed the Health Insurance Portability and Protection Act (Kassebaum-Kennedy) into law which, for the first time, created a stable source of funding for fraud control. This legislation is enabling HHS to expand Operation Restore Trust to twelve states.

Passed New Initiatives to Combat Fraud and Waste Proposed by the President in the Balanced Budget Act of 1997. The Balanced Budget Act the President signed into law in August also included important new protections to fight fraud and abuse in Medicare and Medicaid. These new initiatives included:

- requiring providers to give proper identification before enrolling in Medicare;
- implementing new penalties for services offered by providers who have been excluded by Medicare or Medicaid;
- establishing guidelines for the frequency and duration of home health services;
- clarifying the definition of part-time or intermittent nursing care which will clarify the scope of the Medicare benefit and will make it easier to identify inappropriate services;
- establishing a prospective payment system (PPS) for home health services to be implemented in FY 1999, enabling HCFA to stem the excessive flow of home health care dollars;
- clearly defining skilled services so that home health agencies can no longer pad their bills with unnecessary services when a patient simply needs a simple service such as their blood drawn;
- and eliminating periodic interim payments that were made in advance to agencies and not justified until the end of the year.

PRESIDENT CLINTON CALLS ON CONGRESS TO PASS EXISTING LEGISLATION TO IMPROVE CONSUMER PROTECTIONS AND QUALITY HEALTH CARE

Today in his speech before the Service Employees International Union (SEIU), President Clinton called on the Congress to take immediate action to pass existing legislation to improve consumers protections and quality health care. The President asked Congress to pass right away three bills currently before it that he has already endorsed that would: (1) ensure women are allowed to stay in the hospital at least 48 hours after a mastectomy; (2) put in place anti-gag rules that give patients the right to know their treatment options; and (3) prevent health plans to discriminate on the basis of genetic information. The President also asked Congress to work to pass legislation to adopt the new strong federal standards on medical privacy.

Implementing Anti-gag Rules for Private Health Plans. Patients should have the right to be informed of all of their treatment options -- not just the cheapest. The President has already banned gag rules that prevented doctors from telling Medicare and Medicaid patients about all their options for treatment. Today he is calling on Congress to do its part -- pass legislation protecting patients in private health care plans so that no American is left in the dark about how best to treat his or her illness. President Clinton encouraged Congress to pass legislation similar to that proposed by Representative Ganske and Representative Markey.

Allowing Women to Stay in the Hospital at Least 48 Hours Following a Mastectomy. This legislation -- sponsored by Representative DeLauro and Senator Daschle and already endorsed by the President -- would ensure that a women will be allowed to stay in the hospital at least 48 hours undergoing a mastectomy. It would guarantee that decisions of when to leave the hospital are made between a woman and her doctor rather than a health plan. Earlier this year, the First Lady brought national attention to the horrifying practice of kicking women out of the hospital on the same day they undergo mastectomies. The President strongly encouraged the Congress to hold hearings and pass legislation on this important issue.

Preventing Health Plans From Discriminating on the Basis of Genetic Information. Important advances in genetics are offering new potential to identify hidden genetic disorders and spur early treatment. While these new strides will fundamentally change the way that we treat diseases, genetic information can also be used to discriminate against or stigmatize individuals. President Clinton called on Congress to pass legislation that will prevent health plans from denying or dropping coverage or raising premiums on the basis of genetic information. The President has already endorsed the principles of the legislation introduced by Representative Slaughter and Senator Snowe. In a similar vein, later this year the Administration will release a report which makes recommendations to prevent discrimination based on genetic information in the workforce. The President encourages the Congress to move forward on that issue as well.

Adopting Strong New Federal Standards to Protect Medical Privacy. Medical records were once protected by our family doctors -- who kept handwritten records about us sealed away in big file cabinets. Today, revolutions in the health care delivery system mean that entire networks of insurers and health care professionals have access to this now computerized private and personal information. Today the President called on Congress to enact legislation to protect medical privacy in the information age and to adopt the new strong federal standards on privacy such as those issued by Secretary Shalala last week.

FRAUD ANNOUNCEMENT IN THE PRESIDENT'S SEIU SPEECH
QUESTIONS AND ANSWERS

Q: HOW CAN YOU JUSTIFY IMPOSING A MORATORIUM ON HOME HEALTH CARE AGENCIES? CERTAINLY MOST OF THESE AGENCIES ARE PROVIDING MUCH NEEDED CARE FOR MEDICARE BENEFICIARIES.

A: There is an urgent need to make fundamental changes in the way that Medicare does business with some home health care providers. We already have over 10,000 home health providers. Currently, almost 100 new home health care providers enter Medicare each month.

In response to concerns about unbridled growth in this industry and growing evidence of fraud, the Inspector General recommended imposing a moratorium in a recent report on the problems of the home health care industry. There is strong evidence that the best way to prevent fraud and abuse is to prevent bad apple providers from getting into the program in the first place. Today's action will enable HCFA to focus on implementing strong new regulations to provide new safeguards and protections to ensure that fly-by-night providers do not get in Medicare in the first place.

Q: BUT WON'T THIS DENY OLDER AMERICANS ACCESS TO MUCH NEEDED HOME HEALTH SERVICES?

A: Not at all. The moratorium will authorize the Department to grant exceptions for areas of the country with no access to home health care services.

Q: HOW LONG WILL THE MORATORIUM BE IMPOSED FOR?

A: The moratorium will only be in place for about six months, while the Department of Health and Human Service implements the new regulations.

Q: IS THIS THE FIRST MORATORIUM THAT MEDICARE HAS EVER IMPOSED?

A: This is the first ever moratorium that HCFA has ever imposed on the home health industry. However, HCFA recently imposed a moratorium on Durable Medical Equipment providers in Florida.

This moratorium was recommended by the Inspector General in her recent report on the problems in the home health industry. With nearly 100 new home health agencies per month, it is critical that HCFA take time to implement strong new regulations to ensure that fly-by-night providers cannot get into the Medicare program.

Q: WHERE DOES THE AUTHORITY TO IMPOSE THE MORATORIUM COME FROM AND WHEN WILL IT BEGIN?

A: The Secretary of Health and Human Services has the responsibility and the authority to ensure the fiscal soundness of providers who give care to Medicare beneficiaries. This moratorium will begin immediately so the Department can begin implementing the new regulations to provide new protections to keep risky home health providers out of the program.

Q: WHAT WILL THE NEW REGULATIONS DO?

A: The new regulations will enable HHS to implement strong new protections and safeguards to help prevent risky providers from entering Medicare including:

- **Posting surety bonds of at least $50,000:** Home health agencies will be required to post surety bonds of at least $50,000 before they can enroll or re-enroll in Medicare. Surety bonds have proved to be an effective way to prevent bad apple providers from entering Florida's Medicaid program;

- **Requiring a minimum number of patients prior to seeking Medicare enrollment:** This will require home health agencies to establish an agency's experience in the industry before serving Medicare enrollees; and

- **Keeping out home health agencies likely to fraudulently bill Medicare:** This regulation will require home health agencies to submit detailed information about all of the businesses they own. This will ensure they do not use shaky financial transactions to exploit Medicare, such as preventing billing through companies that do not exist or are unauthorized to bill Medicare for services. This loophole allowed one home health agency in Georgia to defraud Medicare of $16.5 million before being found and convicted.

Q: WILL YOU NEED LEGISLATION TO IMPLEMENT THESE NEW REGULATIONS?

A: No. Some of the regulations are from legislation that was part of the Balanced Budget Agreement the President signed into law this summer. The other regulations HCFA has the authority to implement without legislation.

Q: SOME OF THE HOME HEALTH AGENCIES ALREADY SERVING THE MEDICARE PROGRAM ARE DEFRAUDING THE PROGRAM: WHAT IS THE PRESIDENT DOING ABOUT THE EXISTING PROBLEM PROVIDERS?

A: The President also announced today that he is doubling the number of audits -- from 900 to 1800 -- and increasing the number of claims reviews by 25 percent -- from 200,000 to 250,000. This will help HCFA weed out the bad apple providers already defrauding Medicare.

Second, the President is taking new action to require home health agencies to re-enroll in Medicare every three years. Home health agencies will be required to submit an independent audit of its records and practices at the time of re-enrollment. The new regulations HHS will implement during the moratorium will also apply to all home health agencies -- making it easy to kick out fly-by-night operators who are more likely to cheat Medicare. Currently HCFA can kick providers out of Medicare only if they have been convicted of fraud.

Q: WHAT ELSE HAS HCFA DONE TO ACT AGAINST THE PROBLEM PROVIDERS IN THE HOME HEALTH INDUSTRY IDENTIFIED BY THE INSPECTOR GENERAL?

A: During the past two years, HCFA has taken action to deal with many of the providers identified as problem providers by the Inspector General. Of the 698 agencies identified in the IG's recent report, HCFA has already taken action against the vast majority of them including:

- Collecting overpayments from 437 agencies;
- Referring an additional 75 to law enforcement; and
- terminating 67.

Q: WHY ARE THE ACTIONS THE PRESIDENT IS ANNOUNCING TODAY ONLY PICKING ON THE HOME HEALTH INDUSTRY? CERTAINLY FRAUD AND ABUSE EXISTS IN OTHER PARTS OF THE MEDICARE PROGRAM.

A: Home health care is one of the fastest growing industry in Medicare. Approximately 100 new home health care agencies are applying to get into the Medicare program each month. The Inspector General has recommended this moratorium on home health care providers so that HCFA can implement tough new regulations to keep risky, fly-by-night providers out of the program. There is strong evidence that the best way to stop fraud and abuse is to prevent bad apple providers from entering Medicare in the first place.

That being said, we are aware that fraud and abuse exists in other parts of Medicare. We have taken action in the past to address these problems, such as implementing Operation

Restore Trust -- a comprehensive anti-fraud initiative in five key states. The President will also be reviewing additional measures to stop fraud and abuse in other parts of the Medicare program and will take new action in these areas. Fraud and abuse is a serious problem that is undermining our health care system. We must do everything we can to stop it.

HC
write

THE WHITE HOUSE

WASHINGTON

August 7, 1997

DIABETES EVENT

DATE:	August 8, 1997
LOCATION:	Georgetown University Medical Center
BRIEFING TIME:	10:00 am - 10:30 am Oval Office
EVENT TIME:	10:50 am - 11:50 am
FROM:	Bruce Reed/Chris Jennings

I. PURPOSE

To highlight the significant investment in diabetes research and treatment within the balanced budget.

II. BACKGROUND

You will be announcing an unprecedented national commitment to fighting diabetes in an address to leaders from the diabetes activist and research communities; Native-American, African-American, Hispanic, and Senior health care organizations; and families affected by diabetes. You will be making the following four announcements:

- **Expanding Medicare to Help People With Diabetes Better Manage Their Care** The balanced budget provides $2.1 billion over five years to expand Medicare coverage of diabetes self-management education, which is an essential component of diabetes care. Medicare previously covered this training only in hospital-based programs; it now will cover training furnished by physicians and other certified providers as well.

- **A New $150 Million Investment in Research for Type I (Juvenile) Diabetes.** This new investment provides $30 million annually for five years for research to help find the cure for diabetes. Secretary Shalala will have discretion to target these funds to the most promising scientific opportunities. This new initiative increases HHS's annual funding for diabetes research by about 10 percent.

- **A New $150 Million Investment for Native American Prevention and Treatment.** This new investment provides the Indian Health Services $30 million annually for five years for diabetes prevention and treatment. The death rate from diabetes among Native Americans is almost three times higher than in the population as a whole.

- **A New Diabetes Quality Improvement Project**
  You will announce an unprecedented new collaborative effort to develop standards for the treatment of diabetes. The partners in the effort are: HCFA; the American Diabetes Association; NCQA, which develops and maintains a set of standardized performance measures used by more than 90 percent of health plans; and the Foundation for Accountability (FACCT). Such measures could detail the care that should be delivered (for example, an annual eye exam) or health outcome that should be achieved (such as appropriate blood glucose levels). Studies have documented that many physicians are not delivering the care known to reduce diabetes complications, such as blindness and amputations. Those new standards will help ensure that doctors have the necessary information to provide patients with high-quality diabetes care.

III. PARTICIPANTS

Briefing Participants:
Erskine Bowles
Bruce Reed
Chris Jennings

Event Participants:
Sam W. Wiesel, (WEE-ZEL) Executive Vice President for Heath Services at Georgetown University Medical Center
Mary Delaney, D.C. Medicare patient
Chief Joyce Dugan, Principal Chief, Eastern Band of Cherokee Indians
Sandra Puczynski, Mother of a child with juvenile diabetes

Also Seated on Stage:
Mary Tyler Moore, International Chairman of the Juvenile Diabetes Foundation International.
Stephen Satalino, Chair of the Board of the American Diabetes Association

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- Upon arrival, you will briefly meet and greet stage participants and their families.
- You will be announced onto the stage accompanied by stage participants.
- **Dr. Sam Wiesel**, V.P. Georgetown University Medical Center, makes welcoming remarks.
- **Mary Delaney**, Medicare patient, makes remarks and introduces Chief Dugan.
- **Chief Joyce Dugan**, Principal Chief, Eastern Band of Cherokee Indians makes remarks.
- **Sandra Puczynski**, parent of child with diabetes, makes remarks and introduces you.
- **You** will make remarks and then depart.

VI. REMARKS

Remarks Provided by June Shih in Speechwriting.

NEW DIABETES INVESTMENTS TO IMPROVE TREATMENT, PREVENTION, AND RESEARCH FOR AMERICANS WITH DIABETES

Today President Clinton highlighted a set of four initiatives that will improve the lives of the at least 8 million Americans who have been diagnosed with diabetes. Three of these initiatives were included in the balanced budget the President signed into law on Tuesday. The President also emphasized that this new investments emerged as a result of a strong bipartisan partnership with Speaker Gingrich. The American Diabetes Association (ADA) stated that "taken together, these new investments in diabetes, announced by President Clinton today, are as important for people with diabetes as the discovery of insulin in the 1921." The President announced:

(1) **An important new Medicare benefit** which will help pay for the critically necessary supplies and self-management instruction which will help the 3.2 million older Americans who suffer from diabetes better manage their treatment.

(2) **A new $150 million investment in diabetes research to prevent and cure Type I (often known as juvenile) diabetes,** to be allocated by Health and Human Services Secretary Donna Shalala.

(3) **A new $150 million investment for prevention and treatment of diabetes among Native Americans,** who are almost three times as likely to suffer from the disease as others in the U.S. population;

(4) **A new public/private effort to assure and improve high quality care for Americans with diabetes.** This effort will review current treatments for diabetes to determine the degree to which they are effective, to recommend alternative approaches that ensure high quality care, and to develop more consistent quality measures for diabetes patients, health plans, and health providers across America.

A New Medicare Benefit to Help People With Diabetes Better Manage Their Care.
The balanced budget expands Medicare's coverage of benefits for people with diabetes by $2.1 billion over five years. In so doing, it expands the number of people able to take advantage of self-management tools will increase the number of Americans who properly manage their diabetes, thereby helping to prevent the debilitating and costly complications too often associated with the disease. Under the new balanced budget, Medicare will cover self-management training offered by physicians and other certified providers rather than only in hospital-based programs as it traditionally has. This will help ensure that more beneficiaries with diabetes can access the necessary education to manage this disease. In addition, Medicare will make blood glucose monitors (including testing strips) available to all beneficiaries with diabetes, whereas Medicare currently covers only insulin-dependent patients. Ensuring Medicare beneficiaries have access to these supplies will help improve their treatment and has great potential to reduce costs. This new legislation was introduced and strongly advocated by Rep. Furse, Rep. Nethercut, and Senator Breaux.

A New $150 Million Investment to Help Research a Cure for Type I (Juvenile) Diabetes.
The HHS Secretary is allocated $30 million annually for five years for research to help find the cure for diabetes. Americans with Type I diabetes with this disease often suffer severe consequences, even when they receive the best treatment and care. The HHS Secretary will have discretion to target the new funds to the best scientific opportunities. This represents the largest single new investment in Type I diabetes.

MEMORANDUM

August 8, 1997

TO: Bruce Reed, Elena Kagan

FR: Chris J. and Sarah B.

RE: Paper for Diabetes Event

Attached is the paper for today's diabetes event which includes:

(1) Fact sheet on four diabetes initiatives (new diabetes Medicare benefit, $150 million for research for Type I diabetes, $150 million for prevention and treatment for Native Americans, and a public/private effort to assure and improve high quality care);

(2) Background fact sheet on diabetes;

(3) Q&As on initiatives; and

(4) Supportive Quotes

Please call with any questions or comments.

$150 Million Investment to Help Prevent and Treat Diabetes Among Native Americans. The HHS Secretary is allocated $30 million annually for five years to be used to provide services for diabetes prevention and treatment for Native Americans. The death rate from diabetes is almost three times higher in the Native American population than in the U.S. population as a whole. This new funding will go to help improve prevention efforts (such as improved diet, exercise and other factors that reduce the likelihood of diabetes) and help identify the disease as early as possible. It will also help more Native Americans with diabetes get the necessary information about managing diabetes, for example, by improving linkages between families, public health services, schools, and nutrition programs. Moreover, it will expand access to affordable treatment so that more Native Americans get the care they need to help reduce costly and extensive complications. IHS will work in partnership with Tribes, Urban Indian Health Centers Facilities, and other agencies within HHS, such as the CDC.

A New Diabetes Quality Improvement Project.
Numerous studies by organizations such as the ADA and National Committee on Quality Assurance (NCQA) have shown that many patients are not receiving the medical care known to reduce diabetes complications such as blindness and amputation. In fact, an NCQA study shows that the rate of an annual eye exam in managed care plans averages less than 40 percent. The multiplicity of report cards, each with their own measures, has created confusion and made it difficult to compare and improve care across all delivery systems.

The President announced a major year-long collaborative effort to review current treatments for diabetes to determine the degree to which they are effective, to recommend alternative approaches that ensure high quality care, and to develop more consistent quality measures for diabetes patients, health plans, and health providers across America. Such measures will monitor whether proper care was delivered (for example, an annual eye exam) or health outcomes were achieved (such as appropriate blood glucose levels).

The performance and outcome measures are being developed by a coalition of four organizations: HCFA, the largest purchaser of health care for the diabetic population; the ADA, the largest voluntary health agency dedicated to improving the lives of people with diabetes; NCQA, which develops and maintains a set of standardized performance measures used by more than 90 percent of health plans; and the Foundation for Accountability (FACCT), an organization dedicated to ensuring that consumers have adequate information to make health care decisions. Together, these organizations will work to ensure that millions of consumers, purchasers, and health care providers utilize this new information to improve care.

FACTS ON DIABETES

There are 8 million Americans diagnosed with diabetes. Another 8 million are believed to have, but have not been diagnosed, with this disease. Over 3 million Americans diagnosed with diabetes are adults age 65 and over. Approximately half of all diabetes cases occur in people older than 55 years of age. African-Americans have diabetes at nearly double the rate of other Americans.

Diabetes is the seventh leading cause of death. Middle-aged Americans with diabetes have death rates twice as high as other Americans. The death rate from diabetes is nearly 3 times higher in the Native American population than in the U.S. population.

People with diabetes are more likely to suffer from heart disease, high blood pressure, and strokes. People with diabetes are 2 to 4 times more likely to suffer from cardiovascular disease, and 2 to 4 times more at risk for a stroke. High blood pressure affects nearly two-thirds of people with diabetes.

Diabetes is the leading cause of end-stage renal disease (ERSD), non-traumatic amputations, and blindness. Diabetes accounts for 36 percent of new ERSD cases (kidney disease) -- about 20,000 cases each year. In addition, 54,000 amputations are performed on diabetics each year, and up to 24,000 adults are blinded each year from diabetes.

The American Diabetes Association estimates that we spend $92 billion per year on diabetes care. Of the total, costs directly attributable to diabetes total $45 billion, while indirect medical costs, such as work loss, disability, and premature death total $47 billion.

DIABETES AND MEDICARE

Medicare pays for ERSD for the non-elderly population as well. About 20,000 Americans develop this disease through diabetes each year, and Medicare expenditures on kidney dialysis for each of these people averages nearly $40,000 annually.

TYPE I DIABETES

Between 700,000 and 1 million Americans have Type I diabetes and as many as half of these are children. Each year about 30,000 Americans are diagnosed with Type I diabetes.

Almost all Americans with Type I diabetes will likely suffer from at least one of the many complications arising from diabetes, including serious eye disease (e.g. blindness), amputation, heart disease, or kidney disease.

NATIVE AMERICANS AND DIABETES

Diabetes occurs at rates dramatically higher among Native Americans than in the general U.S. population. One third to one half of adults in certain tribal groups have diabetes.

Native Americans develop Type II diabetes at a younger age -- as young as age eight -- and suffer higher rates of complications including blindness, amputation, and kidney disease.

DIABETES Q&As

Q: WHY ARE YOU INVESTING $30 MILLION ANNUALLY OVER FIVE YEARS IN TYPE I DIABETES WHEN ONLY A SMALL PORTION OF THE DIABETES POPULATION HAS THIS DISEASE?

A: Increasing our research efforts for Type I diabetes will actually help improve our knowledge about all types of diabetes. In fact, currently NIH does not even distinguish between their research dollars spent on Type I and Type II diabetes.

This initiative, which allows the HHS Secretary to allocate $30 million annually for five years to research a cure for Type I diabetes, however, could make a significant difference in how scientists understand this disease. We have talked to scientists at NIH who believe that an intensified effort on diabetes could lead to some important breakthroughs in our understanding of how we can cure diabetes.

There are between 700,000 and one million Americans who suffer from Type 1 diabetes, as many as half of whom are children. These Americans -- even those who receive the proper treatment -- are likely to develop at least one of severe diseases associated with diabetes, such as blindness, heart disease, or kidney problems later in life. We will not be able to eliminate the serious consequences and costs of this disease until we develop a cure.

Q: WHY IS ARE YOU SUPPORTING AN APPROACH THAT IS OUTSIDE THE NORMAL APPROPRIATIONS PROCESS THAT SUPPORTS THE NATIONAL INSTITUTES OF HEALTH (NIH)?

A: The $150 million allocated by the HHS Secretary for Type I diabetes will be given out by the Secretary -- with the help of the top scientists at HHS -- to the most promising research scientific research projects. NIH is currently in the process of administering a clinical trial for Type I diabetes and is making significant progress in research on Type I diabetes. Scientists at NIH believe that this new intensified effort will provide more resources in a tight budget to take the next steps in understanding this disease.

Q: DO YOU PLAN TO ALLOW THE HHS SECRETARY TO ALLOCATE GRANTS FOR OTHER DISEASES AS WELL?

A: This is an intensified effort to help research a cure for one of our nation's most costly diseases and to help reduce the impact of diabetes on Native Americans since it is devastating this population. There are not currently any plans to extend this kind of allocation to other diseases.

Q: WHY ARE WE FOCUSING SO MUCH OF THIS EFFORT ON DIABETES CARE FOR NATIVE AMERICANS?

A: The death rate for Native Americans with diabetes is nearly three times that of other Americans. In some tribes more than one-third of the population suffers from this dreadful disease. Native Americans are also far less likely to receive adequate treatment to manage this disease and therefore are more likely to get some of the serious complications associated with diabetes, such as kidney disease and heart disease more frequently.

This disease is devastating this population, and it is important that we make a concentrated effort to eliminate some of its damaging effects. We believe that this significant investment in preventing, treating, and researching diabetes in Native Americans will take a significant step towards improving this serious problem.

Q: WHY IS THE NEW MEDICARE BENEFIT FOR PEOPLE WITH DIABETES SO IMPORTANT? DON'T MOST BENEFICIARIES GET THEIR DIABETES CARE PAID FOR BY SUPPLEMENTAL INSURANCE?

A: Many older Americans with diabetes -- even many of those with supplemental insurance -- are not getting the proper care they need to prevent the costly devastating complications associated with diabetes. Medicare beneficiaries report that they are unsure how to properly manage their diabetes care.

Moreover, Medicare does not currently cover some of the most critical services that beneficiaries with diabetes need to manage their disease. It does not pay for blood glucose monitors or for the strip tests that people with diabetes need to monitor their blood sugar.

The balanced budget expands Medicare's coverage of benefits for people with diabetes by $2.1 billion over five years. In so doing, it expands the number of people able to take advantage of self-management tools will increase the number of Americans who properly manage their diabetes, thereby helping to prevent the debilitating and costly complications too often associated with the disease.

Q: WILL WE BE ABLE TO CURE DIABETES WITH THIS INVESTMENT?

A: No investment in research can guarantee that a cure can be discovered. However, scientific researchers are making significant progress in the area of diabetes and scientists at NIH say that this new investment will help these important efforts.

QUOTES SUPPORTING PRESIDENT CLINTON'S ANNOUNCEMENT ON UNPRECEDENTED DIABETES INITIATIVE

"President Clinton's announcement today ends an extraordinary week in the history of diabetes in America. Because of the President's support of bi-partisan initiatives, nearly $3 billion of new money will be invested into research and treatment. Finally, diabetes is getting the recognition it deserves as a major public health problem facing America."

"By investing now in the tools and services that can help seniors manage their diabetes, we anticipate that Medicare can help reduce the enormous human and financial cost that accompanies diabetes complications. This is a dramatic step forward since Medicare traditionally has paid for diabetes-related hospitalizations, but nor for the means that would help keep seniors out of the hospital."

American Diabetes Association

"With the tremendous human and economic tolls taken by this devastating disease and its complications, it is more than appropriate that a full frontal attack on diabetes be launched by the federal government. This long awaited increase contains a signficant infusion of new funds for research into Type I diabetes, and provides renewed hope for millions of Americans."

"We know that this extraordinary initiative [announced by the President today] will help attract the attention of our leading scientists, and encourage them to apply their knowledge to the complex and myriad problems of diabetes in new and imaginative ways."

-- Juvenile Diabetes Foundation International

"Insulin is not a cure. With this initiative, we can capitalize on years of research progress and start to move advances out of the laboratories to the bedsides of our loved ones."

-- Mary Tyler Moore
International Chairman
Juvenile Diabetes Foundation International

"President Clinton is to be commended for providing leadership in improving the quality of life for the 16 million Americans who suffer from Diabetes. This significant development is a positive step forward in expanding the life expectancy for the millions of African Americans who have been victims of this dreaded disease."

-- The National Caucus and Center on
Black Aged, Inc.

"For the approximately 3 million African Americans affected by diabetes and who suffer a disproportionate burden from its complications, the initiatives announced by President Clinton will prompt a shift in the quality of care and access to services that can improve outcomes. The National Medical Association feels strongly that this is a health initiative that will strike a major blow to the debilitating effects of a silent killer in high-risk minority communities, and reduce the enormous drain on human and fiscal resources caused by diabetes."

"The National Medical Association enthusiastically applauds President Clinton for the provisions in the balanced budget package directed towards cure of Type I diabetes, more intense preventive services and treatments for Native Americans, and improved coverage for self-management of older and other high-risk populations. For the almost 3 million African Americans with diabetes, who suffer higher rates of amputations and kidney failure, these initiatives signal a major shift in the direction of bringing much of our new knowledge to bear on relief of a costly and debilitating disease, while hastening our quest to eradicate it completely."

— National Medical Association

"President Clinton is the first President to understand the importance of diabetes to so many people. We know that the President's diabetes initiative will improve the quality of life for the 1.3 million Hispanic diagnosed with this chronic disease. As Hispanics are twice as likely as the general population to have diabetes we know that our communities welcome this major step from the President."

-- Jane L. Delgado, Ph.D.
President and CEO
National Coalition of Hispanic Health and
Human Services Organizations (COSSMHO)

"The National Council on Aging, Inc. Supports the President's Initiative on Diabetes. Better screening is essential to make sure cases are correctly diagnosed. NCOA [The National Council on Aging, Inc.] strongly supports efforts to develop and disseminate diabetes guidelines to health professionals for appropriate disease management."

-- The National Council on Aging, Inc.