

Original

HEALTH CARE EVENTS

Anti-gag Rules. Bring Medicare and Medicaid into compliance.

Announced Members of Your Quality Commission. In March, you announced the members of your Advisory Commission on Consumer Protections and Quality. Your Commission included diverse representation from consumers, providers, business, insurers, and state and local government. At this time you charged the 32 member Commission to make their first order of business to develop a consumer bill of rights, which you endorsed in October. (March 1997).

Making Federal Programs Consistent with Scientific Recommendations on Breast Cancer. Following the recommendations by the National Cancer Institute that all women over forty should have regular mammograms, you met announced that Medicare and Medicaid and the Office of Personnel Management would implement these recommendations and called on the private sector to implement them. (March 1997).

Fraud and Abuse Initiative. [new legislative initiatives]

Challenged Scientists to Develop an AIDS Vaccine in the Next Decade. At your commencement address at Morgan State, you challenged the nation to commit itself to the goal of developing an AIDS vaccine within the next ten years. You also announced new steps the Administration was taking to help achieve this goal. These steps included high-level international collaboration kicked off at the G-8 summit in Denver, a dedicated research center for AIDS vaccine research at the National Institutes for Health, and outreach to scientists, pharmaceutical companies, and patient advocates to maximize the involvement of both the private and public sectors in the development of an AIDS vaccine. More than 29 million men, women, and children around the world have been infected with HIV. Without an effective vaccine, AIDS will soon overtake tuberculosis and malaria as the leading cause of death among persons between 25-44 years of age. (June 1997).

Released Principles to Prevent Genetic Discrimination. In July, you released a report highlighting your principles for preventing health insurers from discriminating on the basis of genetic information. Genetic testing has the potential to identify hidden genetic disorders and spur early treatment. However, there is evidence that insurance companies and others use this information discriminate and stigmatize groups of people. Eighty-five percent of Americans report that they are extremely concerned with the possibility that their genetic makeup will be used to discriminate against them or a member of their family. This legislation is a top priority for many women's and breast cancer community. Senator Jeffords is holding hearings on this legislation next week (July 1997).

Announced Record High Children Immunization Rates. In July, you and the First Lady announced that childhood immunization rates have reached an historic high, surpassing the goal you set in 1993 when you launched the Administration's Childhood Immunization Initiative. At this event, you also proposed new child care regulations to ensure that toddlers in federally funded child care are properly immunized. Finally, you directed Secretary Shalala to convene a group of state and local officials and private organizations to work together on immunization registries to help parents and doctors track children's immunizations (August 1997).

Protected Children By Issuing Pediatric Labeling Regulation. In August, you unveiled a new FDA regulation to protect children by requiring manufacturers to do studies on pediatric populations for new prescription drugs as well as those currently on the market. Although many drugs have a unique impact on children, most drugs have not been tested on specifically on children. In fact, the number of drugs tested for their impact on children has been decreasing: in 1991, 56 percent of the drugs approved with potential usefulness for children had some pediatric labeling; and by 1996, this percentage was down to 37 percent. Manufacturers of prescription drugs likely to be used by children are now required to complete studies and place information on drug labels to help pediatricians and other health care providers make scientifically based treatment decisions when prescribing drugs to children (August 1997).

Unveiled Historic Diabetes Initiative. In August you unveiled a four part diabetes initiative that the American Diabetes Association said was the greatest investment in diabetes since the discovery of insulin in 1921. The Balanced Budget authorized a \$2.1 billion expansion of Medicare benefits to provide diabetes education, and testing strips for people with diabetes. It also allocated \$150 million in research to prevent and cure juvenile diabetes and \$150 million to prevent and treat diabetes among Native Americans. Finally, you launched a new public/private effort to assure and improve the quality of care for Americans with Diabetes. An estimated sixteen Americans suffer from diabetes, although only eight million have been diagnosed. It is the seventh leading cause of death in the United States and people with diabetes suffer severe consequences, such as heart disease, high blood pressure, blindness, and strokes (August 1997).

Launched Dr. Satcher's Nomination For Surgeon General. In September, you announced your intent to nominate Dr. David Satcher for the dual position of Surgeon General and Assistant Secretary for Health. At this event, you highlighted Dr. Satcher's leadership as CDC director in public health areas such as immunizations, cancer screening, and food safety. Following this successful liftoff, Dr. Satcher received broad based support from a wide range of health providers and consumers. As you know, Dr. Satcher was confirmed by the Senate this February (September 1997).

Announced New Fraud Initiative at the Service Employees International Union Speech. At the SEIU speech, you added three new weapons to combat fraud and abuse in the home health industry. You 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 were consistent with recommendations by the Inspector General at the Department of Health and Human Services following a recent report on fraud in the home health care industry. In addition, you called on Congress to pass a series of legislation, including privacy protections, genetic anti-discrimination, and quality initiatives, including anti-gag rules (September 1997).

Breast Cancer Awareness Month. (October 1997).

Endorsed Your Quality Commission's Patients' Bill of Rights. In October, you endorsed the eight "consumer bill of rights and responsibilities" recommended by your Advisory Commission on Quality and Consumer Protections. At this event, held with the members of the Commission and a range of consumer and provider groups, you also challenged all private health plans to adopt the Commission's consumer bill of rights; called on Congress to pass appropriate Federal protections into law. Finally, you directed every federal agency that administers or manages health plans to report back to you, through the Vice President, on which protections they currently have in place, which ones they can implement, and where they will need the authority of legislation to do so (October 1997).

Announced Your Appointments for the Medicare Commission. You announced his intention to appoint four members to the National Bipartisan Commission on the Future of Medicare Commission. Stuart Altman, Laura Tyson, Bruce Vladeck, and Tony Watson. [add something about how effective these members have been].

Called on Congress to Pass Legislation to Prevent Overpayments for Medicare Drugs. In December, you announced that your FY1999 Budget will include a proposal to stop the Medicare program from overpaying for the drugs it covers. This proposal, which will save Medicare and the taxpayers who support it \$700 million over five years, builds on your strong record of cutting waste and fighting fraud in the Medicare program (

Unveiled Your Medicare Buy-In Proposal. In January, you launched your Medicare buy-in proposal at the White House. As you know, this proposal gives new options for a group of vulnerable Americans that the insurance market has failed, without hurting the Medicare Trust Fund or the Balanced Budget. This event included a particular memorable speaker, Ruth Kain, who highlighted how the insurance market fails Americans 55 to 65 by sharing her story of how she has lost her family savings due to a lack of insurance options (January 1998).

Announcing Progress and Next Steps in Combatting Fraud and Abuse. In January, you announced another fraud and abuse initiative which included: (1) the release of a new Justice Department Report that showed that nearly \$1 billion was returned to the Medicare Trust Fund in just one year; (2) a 10-step anti-fraud and abuse legislative

package that saves Medicare at least \$2 billion over five years; (3) new nationwide on-site inspections to target medical supplier rip-off artists; and (4) a nationwide conference, with law enforcement officials and others, designed to identify the next steps to fight fraud and waste (January 1998).

Implementing New Cancer Preventive Benefits for Medicare Beneficiaries. In the Christmas radio address, you announced the implementation of new cancer preventive benefits for the Medicare program. These new benefits, which were passed as part of the Balanced Budget: as of January 1, Medicare now guarantees the option of annual mammograms for every woman over 40, and by waiving the deductible will make annual breast cancer screening more affordable. Right now, nearly half of older women do not get regular mammograms; second, we have sophisticated tests to pick up early signs of cervical cancer, and from now on Medicare will pay for regular access to this lifesaving technology; and, third, for the first time Medicare now covers regular examinations for colorectal cancer. There are other preventive benefits in the Medicare program, including coverage for diabetes education and bone mass measurement for osteoporosis that will be implemented in July (December 1997)

Demonstrated Unified Commitment Among Democrats to Pass a Patients' Bill of Rights Unity Event. In an event with Senator Daschle, Representative Gephardt, we announced that the Democrats are united in their call for a Federally enforceable patients' bill of rights. [add more]

Announced Public/Private Sector Commitments on Kid's Health Outreach. In February, you and the First Lady held an event on children's health outreach where you announced the first major state coverage expansions under the recently enacted Children's Health Insurance Program (CHIP) and released information showing that many States will soon follow. You also unveiled an unprecedented set of public/private initiatives designed to enroll the millions of uninsured children who are eligible but not enrolled in Medicaid and other state-based children's health programs. These initiatives included: an executive memorandum to eight Federal agencies with jurisdiction over children's programs to establishment of a multi-agency effort to enroll uninsured children; a new toll-free number to be launched this summer that directs families around the nation to their state enrollment centers, and a host of private sector commitments from grocery stores and pharmacies as well as over \$23 million in commitments from private foundations across the country.

Brought Federal Health Programs Into Compliance With the Consumer Bill of Rights. In February, you signed an Executive Memorandum directing all Federal health plans, which serve over 85 million Americans, to come into substantial compliance with the President's Quality Commission's Consumer Bill of Rights. The Executive Memorandum followed a report that the Vice President forwarded you on the current status of compliance with the Consumer Bill of Rights. As this event, you also re-issued a challenge to Congress to pass legislation that assures that these patients' bill of rights will become the law of the land for all Americans.

Announced Race and Health Initiative. In February, you announced a new initiative that sets a national goal of eliminating by the year 2010 longstanding disparities in health status that affect racial and ethnic minority groups. As part of your race initiative, you announced that the Federal government will, for the first time, set high national health goals for all Americans, ending a practice of separate, lower goals for racial and ethnic minorities. To help reach these ambitious targets, you also announced your five-step plan to mobilize the resources and expertise of the Federal government, the private sector, and local communities to eliminate disparities that for too long have been treated as intractable. (Including X,X<X) This initiative has been extremely well received by the minority health community.

Swore in Dr. Satcher for Surgeon General. After a difficult confirmation process, the Senate confirmed Dr David Satcher as the . In an Oval Office ceremony, the Vice President swore in Dr. David Satcher.

Joined Democrats to Unveil Medicare Buy-in Legislation. In March, you joined the Democrats on the Hill to unveil legislation that would provide Americans ages 55 to 65 health insurance options and urged Congress to send it to him for enactment. This targeted, paid-for proposal will give an estimated 300,000 to 400,000 vulnerable Americans new choices for more affordable health care coverage. You also released a state-by-state analysis that documents the need for this policy. Five million -- or twenty-two percent of Americans ages 55 to 65 -- are either uninsured or insured through the individual insurance market. Every Committee of Jurisdiction fact

Met with Members of the New Medicare Commission. In March, you met with the newly appointed Medicare Commission. At this meeting, you underscored your strong commitment to work with Chairman Breaux, Congressman Thomas, and the rest of the Commission to develop a bipartisan consensus for future reforms to the Medicare program that prepare it for the retirement of the baby boom population. You highlighted the great achievements of Medicare and the important contributions that the Balanced Budget Act (BBA) made to strengthening and improving the program. You also urged the Commission to build on the successes of last year's Medicare reforms and take the next steps to prepare the program for the unprecedented demographic challenges it faces.

Urged Congress to Pass Patients' Bill of Rights, Tobacco, and Medicare Buy-in Legislation in Speech to the American Medical Association. In a speech to the American Medical Association (AMA), which marked the first time a President has spoken to the AMA in fifteen years, you renewed your call to Congress to pass a patients' bill of rights, comprehensive tobacco legislation to reduce teen smoking, and your proposal to allow hundreds of thousands of Americans ages 55 to 65 to buy into Medicare. You highlighted that you and the AMA are united on the need for a patients' bill of rights and tobacco legislation, and urged the AMA to lend its strong support to his Medicare buy-in proposal. Underscoring the bipartisan support for a patients' bill of

rights, you released a report showing that 44 states -- including 28 states with Republican Governors -- have enacted the "Consumer Bill of Rights" that your Quality Commission recommended and you endorsed last year.

Received Quality Commission's Final Report and Took New Actions to Implement Recommendations. At this event, you accepted the final report from your Quality Commission, which called for a health quality council to develop unprecedented national quality improvement goals and a privately-administered forum to develop new tools to empower consumers and businesses to purchase quality health care. Consistent with their recommendations, you called on Congress to create a Quality Council; you also called for the creation of a forum to bring together the public and private sectors to identify a core set of measures to be adopted by health plans across the country and asked the Vice President to hold the first planning meeting this June. Finally, you directed the Departments of Health and Human Services, Labor, Veterans Affairs, Defense, and the Office of Personnel Management to establish the "Quality Interagency Coordination" (QuIC) task force to ensure better collaboration and coordination across the Federal government.

Medicare Trustees Report Pool Spray.

THE WHITE HOUSE AT WORK

Wednesday, January 14, 1998

Health Care that Works for All Americans

To give American families the security they need to thrive, we need national consumer rights that say to every American: You have a right to know that you are receiving the best care, not the cheapest care; you have the right to choose the right doctor for the right type of care; the right to medical services in an emergency, wherever and whenever the need arises; the right to know your medical records are confidential and only used for legitimate purposes; and you have the right to express your concerns about the quality of care you receive, and to take action when that care is inadequate.

President Bill Clinton
January 14, 1998

Today, President Clinton and Vice President Gore, along with Democratic Leaders Senator Daschle and Representative Gephardt, came together to call for legislation proposing national health care consumer protections for all Americans.

Patients' Bill of Rights. The nation's health care system is undergoing significant change. Many Americans worry that these changes may reduce their health care options and lower the standards of care. A Patients, Bill of Rights should give Americans much needed protections, including:

Guaranteed Access To Needed Health Care Providers to ensure that patients are provided appropriate high quality care.

Access to Emergency Services when and where the need arises.

Confidentiality of Medical Records to ensure that individually identifiable medical information is not disseminated and to provide consumers the right to access and amend their own medical records.

Grievance and Appeals Processes for consumers to resolve their differences with their health plans and health care providers.

Health Care for the 21st Century. The Health Care Bill of Rights is an important part of President Clinton's plan to ensure affordable, accessible health care to all Americans. This initiative builds on the successes of President Clinton's other health care achievements, including:

Protected Medicare -- protected, modernized and extended the Medicare trust fund -- giving beneficiaries more choice and new preventive benefits, while extending the life of the Trust Fund until at least 2010;

Enacted Single Largest Investment in Health Care for Children since 1965 -- the \$24 billion Children's Health Care Initiative will provide health care coverage for up to five million children;

Passed Meaningful Health Insurance Reform -- signed the Kassebaum/Kennedy Health Care Bill which limits exclusions for pre-existing conditions, makes coverage portable -- helping individuals keep their health care coverage when they change jobs;

Raised Immunization Rates to All Time High -- 90% of toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines --surpassing the President's 1993 goal.

The White House Briefing Room
The White House at Work Archives

THE WHITE HOUSE AT WORK

Wednesday, February 18, 1998

PRESIDENT CLINTON: HEALTH CARE FOR KIDS

"It shouldn't take a miracle to ensure that all children get the care and insurance they need to stay healthy. America's health care system is the finest in the world. But for millions of hard-working families, affording even the most basic health insurance has been nearly impossible. At the same time, millions of families who are already eligible still do not know they qualify for Medicaid. Last summer's historic balanced budget agreement gave us an unprecedented opportunity to change this situation, to bring health insurance to more of our children and peace of mind to their parents."

President Bill Clinton

Today, President Clinton announces the first major state coverage expansions under the recently enacted Children's Health Insurance Program (CHIP) and released information showing that many States will soon follow. He also unveils an unprecedented set of public/private initiatives designed to enroll the millions of uninsured children who are eligible but not enrolled in Medicaid and other state-based children's health programs.

Over 10 million children in America are uninsured. Nearly 90 percent of these children have parents who work, but do not have access to or cannot afford health insurance. Over 3 million of these uninsured children are already eligible for Medicaid. However, many families are not aware that their children are eligible for Medicaid, and others have difficulty filling out the application. With these challenges in mind, the President:

ANNOUNCES THE FIRST COVERAGE EXPANSIONS UNDER THE NEW CHIP PROGRAM. Today, the President announces that Colorado and South Carolina join Alabama as the first states to come into the children's health program. The President also announces that many more States are well on their way to expanding coverage to more uninsured children. Currently, 14 states have submitted plans to HHS for approval, and another 18 States have active working groups or task forces to design plans to address the needs of uninsured children.

RELEASES A NEW PRESIDENTIAL DIRECTIVE TO ENROLL UNINSURED CHILDREN. In an executive memorandum to seven Federal agencies with jurisdiction over children's programs - the Departments of Agriculture, Interior, Education, HHS, HUD, Interior, Labor, and Treasury and the Social Security Administration -- the President directs the establishment of a multi-agency effort to enroll uninsured children.

HIGHLIGHTS BUDGET PROPOSALS THAT PROVIDE MEDICAID ENROLLMENT INCENTIVES. The President's FY 1999 budget invests \$900 million over 5-years in children's health outreach policies, including the use of schools and child care centers to enroll children in Medicaid. It also expands the use of a federally-financed administrative fund so that it can underwrite the costs for all uninsured children - not just the limited population allowed under current law.

ANNOUNCES AN HISTORIC PRIVATE SECTOR COMMITMENT TO PROVIDE OUTREACH. To complement the public outreach effort, the President announces unprecedented new contributions from the private sector to help ensure that all children who

are eligible for health insurance receive it, including:

A new toll-free number that directs families around the nation to their state enrollment centers; Over \$23 million in commitments from private foundations across the country; New initiatives from corporate and advocacy organizations to reach out to uninsured children.

ISSUES A CHALLENGE TO AMERICA TO FIND NEW WAYS TO REACH UNINSURED CHILDREN. ~~The President challenged every physician, nurse, health care provider, business, school, parent, grandparent, and community across the nation, to find new ways to ensure that uninsured children eligible for health insurance are enrolled in Medicaid or CHIP.~~

The White House Briefing Room
The White House at Work Archives

THE WHITE HOUSE AT WORK

Friday, February 20, 1998

PRESIDENT CLINTON: PATIENTS' BILL OF RIGHTS

"The Patients' Bill of Rights is the next important step we must take to ensure that every American family has the quality health care it needs to thrive. This is especially important as our health care system changes to meet the needs of an emerging new economy. I believe that we have an obligation to give Americans the tools to meet these challenges -- and to make sure that whether they have traditional care or managed care, all Americans have quality care."

President Bill Clinton

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

Patients' Bill of Rights. The nation's health care system is undergoing significant change. Many Americans worry that these changes may reduce their health care options and lower the standards of care. A Patients' Bill of Rights should give Americans much needed protections, including:

Guaranteed Access To Needed Health Care Providers to ensure that patients are provided appropriate high quality care;

Access to Emergency Services when and where the need arises;

Confidentiality of Medical Records to ensure that individually identifiable medical information is not disseminated and to provide consumers the right to access and amend their own medical records;

Grievance and Appeals Processes for consumers to resolve their differences with their health plans and health care providers.

America's Federal Health Programs Are Leaders In Providing Patient Protections. Although citing some shortcomings, the Vice President's report on the compliance status of Federal health programs with the Consumer Bill of Rights concludes that Federal health plans (including Medicare, Medicaid, Indian Health Service, the Federal Employee Health Benefits Program, the Department of Defense Military Health Program, and the Veteran's Health Program) are already largely in compliance. This finding illustrates that implementing consumer protections to help Americans navigate through a changing health care system, can be and has been done without excessive costs or regulations.

Directing Federal Agencies To Accomplish Even More. Although the Federal

government is taking a leading role to assure consumer protections are in place, the Vice President's report concluded it has the authority to do more. The President is issuing an Executive Memorandum to ensure that Federal programs come into substantial compliance with the Consumer Bill of Rights by no later than next year.

Challenging Congress To Pass Federally-Enforceable Patient's Bill Of Rights This Year. The President renews his call to Congress to pass a patients bill of rights this year. The Vice President's report underscores that most consumer protections cannot be assured to patients in private health plans without additional legislation. Without this legislation, the millions of Americans in private health plans will never be assured these protections.

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THE WHITE HOUSE AT WORK

Tuesday, March 17, 1998

PRESIDENT CLINTON: HEALTH CARE FOR THE 21st CENTURY

It is time to fulfill our obligation to older Americans. It is time to expand the availability of health care to those who need it most. This time of prosperity should not be a time of delay -- it should be a time of action.

- President Bill Clinton
March 17, 1998

Today, President Clinton joins Democratic Members of Congress on Capitol Hill to unveil legislation that would provide greater health insurance options for an estimated 300,000 to 400,000 Americans ages 55 to 65.

Protecting America's Most Vulnerable Population. Adults ages 55 to 65 are part of one of the nation's most vulnerable and difficult to insure populations: *they have less access to employer-based health insurance; they are twice as likely to have health problems; and they are at greater risk of losing coverage.* Today, the President releases a state-by-state analysis that documents the difficulty that Americans in this age range have gaining access to health insurance. According to the report, twenty-two percent of Americans ages 55 to 65 -- a total of five million people -- are either uninsured or insured through the individual insurance market.

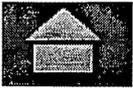
Giving Americans New Choices To Gain Access To Health Care Coverage. The legislation unveiled on the Hill today provides new health insurance options for Americans ages to 55 to 65. This legislation, supported by the President, would:

- **Enable Americans ages 62 to 65 to buy into Medicare**, by paying a premium.
- **Provide displaced workers over 55 access to Medicare** by offering those who have involuntarily lost their jobs and their health care coverage a similar Medicare buy-in option.
- **Allow retirees, ages 55 and older, whose employers dropped their health coverage, access to their former employers' health plan** through "COBRA" coverage.

Protecting Medicare For The Future. The Congressional Budget Office recently released estimates showing that the Medicare buy-in proposal is a carefully targeted policy that will not burden the Medicare Trust Fund:

- **Paid for by premiums and anti-fraud and overpayment savings.** The costs associated with the proposal impose only temporary costs on the Medicare program, and are paid for -- dollar-for-dollar -- by a series of anti-fraud and anti-overpayment initiatives;
- **Separate Trust Fund.** While the buy-in takes advantage of Medicare's low administrative costs and choice of providers and plans, its financing is kept completely separate from the Medicare Trust Fund.

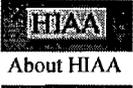
The White House Briefing Room
The White House at Work Archives



Home



Whats New



About HIAA



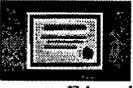
Newsroom



Consumer Information



HIAA Publications

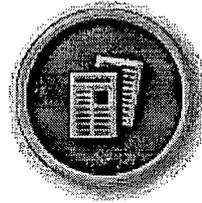


Insurance Education Program



Prevailing Healthcare Charges System

News Room



STATEMENT

of

CHARLES N. KAHN, III

CHIEF OPERATING OFFICER AND
PRESIDENT-DESIGNATE

of the

HEALTH INSURANCE ASSOCIATION OF AMERICA

on

PATIENT CONFIDENTIALITY

Before the

GOVERNMENT MANAGEMENT, INFORMATION, AND
TECHNOLOGY SUBCOMMITTEE

Of the

GOVERNMENT REFORM AND OVERSIGHT
COMMITTEE

UNITED STATES HOUSE OF REPRESENTATIVES

May 19, 1998

I am Charles N. Kahn, Chief Operating Officer and President-designate of the Health Insurance Association of America (HIAA). I appreciate the opportunity to present testimony on behalf of our membership to the Government Management, Information, and Technology Subcommittee about medical records confidentiality. HIAA is the nation's leading advocate for the private, market-based health care system. Its 250-plus member companies provide health, long-term care, and disability-income coverage to more than 65 million Americans.

HIAA has a long history of excellence in representing companies that have had, and will continue to have, strict standards in place for protecting medical records. During the 104th and 105th Congresses, HIAA has been a vocal proponent of the need to protect individually identifiable health information. We have worked diligently at both the state and federal levels to make sure that confidentiality safeguards are in place that do not impede consumers' access to high-quality health care.

HEALTH INFORMATION IS THE LIFEblood OF THE MODERN HEALTH CARE SYSTEM

The days of a patient seeing only a single family practitioner have ended. Today, patients obtain care from a diverse group of health care practitioners, such as specialists and allied health care professionals. Effective care, then, can only be provided through cooperation among practitioners who must share (and often communicate about) a patient's medical information.

As our nation has moved increasingly toward a system of integrated care and computerized transactions, the free flow of medical information becomes even more critical. Accurate, readily available health information is vital to determining the best course of treatment for a patient, and that is clearly its central and most important use.

Also critical is the use of such information to help ensure that basic insurance functions are carried out—from paying claims to preventing fraud and abuse. Finally, medical information is used for many other purposes: to assure health care quality, to help measure health outcomes, and to ensure that patients receive preventive services, to name only a few.

Insurance and managed care companies make responsible use of information; and they also have in place parameters that assure confidentiality. In addition, there exists a network of state laws that also protects sensitive medical information. We in the insurance industry understand that consumers must feel confident that access to health information by providers and payors does not mean unfettered access by the public at large.

LEGISLATIVE BACKGROUND

The "Health Insurance Portability and Accountability Act of 1996" (HIPAA) gives the Secretary of Health and Human Services (HHS) broad authority, with relatively little guidance, to promulgate binding regulations governing the use of individually identifiable health information if Congress fails to enact legislation in this area by August 1999. These rules, which could govern claims administration, enrollment and disenrollment processes, payment and remittance advice, referrals and authorization certifications, and other areas, would have a significant impact on the day-to-day operations of every health insurance carrier in the United States. Because these regulations would coexist with existing and future state laws on patient confidentiality, they would by definition burden the industry with additional, duplicative, and, perhaps, conflicting administrative responsibilities. The end result would be an additional layer of bureaucracy and increased costs.

We already have had a preview of what the Administration would propose, if given the opportunity. Late last year, Secretary Shalala reported to Congress the Administration's recommendations for safeguarding the confidentiality of individually identifiable health information. Although the Secretary's statements at that time evidenced an appreciation for the necessary uses of health information within the broad context of health care delivery and research, the Administration's detailed legislative recommendations give rise to several very serious concerns. HIAA supports the general principles set forth by the Administration and shares its goal of achieving a balanced approach to ensuring the confidentiality of medical records. However, if the Secretary's recommendations were enacted into law or promulgated as regulations, they could jeopardize the ability of the health

care industry to continue to promote high-quality, affordable health care services and coverage for consumers.

As Congress considers these recommendations and weighs its own response, it is critical that any new federal requirements not impose unnecessarily complex, costly, or burdensome requirements on the business operations of health insurers.

In addition to studying the Administration's recommendations, HIAA also has focused on the details of specific bills that are under consideration by the Congress. In this regard, much of our attention has focused on Senator Bennett's "Medical Information Confidentiality Act." Senator Bennett has brought to this issue a keen understanding of how the current health care system works and has attempted to accommodate these real-world exigencies into his initiative. Perhaps most important, Senator Bennett has been willing to consider recommendations from the health insurance industry and others as he continues to refine his approach to this issue.

In contrast, we have concerns about several features of Senator Jeffords' proposed legislation, the "Health Care Personal Information Nondisclosure Act of 1998." For example, the legislation contains a burdensome process for obtaining authorizations and carves out from its preemption provisions, without justification, all state laws related to mental health. It also includes several overly broad definitions that could have serious unintended consequences for the nation's health care delivery system.

HIAA'S BASIC PRINCIPLES WITH REGARD TO CONFIDENTIALITY LEGISLATION

Medical records confidentiality legislation presents the health care industry with hard choices and difficult tradeoffs. The importance of trust in the provider-patient relationship must be preserved. Health records are used to improve health care quality, reduce health care costs, expand the availability of health care services, protect public health, and assure the accountability of the health care system. Confidentiality, when taken in its purest form-- by putting firewalls around information-- potentially undermines all of these objectives. Congress must strike a careful balance between assuring confidentiality and maintaining accessibility to medical records.

As Congress debates various legislative proposals in search of a workable federal legislative solution, we would like to reiterate the basic principles that underlie HIAA's support of federal standards governing patient health information confidentiality. We believe that any federal standards should:

- Provide equal treatment of all individually identifiable health information, including genetic information, to assure strong and uniform confidentiality protections;
- Facilitate appropriate use of patient health information and recognize that access to health information is helpful to patients and critical both to providing quality care and conducting medical research;
- Provide for preemption of state law, with appropriate exceptions for those laws necessary to protect public health and safety;
- Continue to recognize that access to and use of medical information is important to anti-fraud efforts; and

- Provide fair penalties as a strong deterrent to misuse of individually identifiable health information, rather than imposing process-oriented regulatory requirements.

Before we comment on the details of the draft legislative proposal by Representative Shays against the backdrop of these principles, we would first like to elaborate on each of these key points.

TREAT ALL IDENTIFIABLE HEALTH INFORMATION IN THE SAME MANNER

HIAA supports extending strong and consistent confidentiality protections to all individually identifiable patient health information. As such, HIAA is concerned about recent legislative proposals that would treat genetic information and mental health information separately from other health information-- either by providing heightened federal protections or carving out these areas from federal preemption.

It generally is in the best interest of patients for providers to have a complete and accurate picture of an individual's medical history. In many cases, quality care can only be assured by allowing providers to have access to a patient's complete medical record. Moreover, there are genetic components inherent in almost all health information. Therefore, it would be extremely difficult as a practical matter for health plans and providers to treat genetic information differently than other patient health information.

ALLOW FOR APPROPRIATE SHARING OF HEALTH INFORMATION TO ENSURE QUALITY

Today, most health care services are delivered through some form of coordinated or organized system of care. A 1997 KPMG Peat Marwick survey, for example, found that 82 percent of individuals receiving health benefits from their employers are part of a managed care plan. As health plans, physicians, hospitals, purchasers, and others in the health care market continue to design and enter into innovative health care delivery arrangements, it is important to recognize that appropriate information sharing and use must occur within that system to ensure that patients receive appropriate health care services.

The trend toward coordinated care offers greater opportunities to protect confidential patient health information, and to ensure that such information is used appropriately to benefit consumers. Some believe that coordination and computerization undermine confidentiality. In fact, sophisticated coordinated systems of care enable improved monitoring of health information and more meaningful protections to assure appropriate access to, and uses of, such information.

Any legislation relating to the confidentiality of health information must, by definition, distinguish between uses and disclosures that are "appropriate" and those that are "inappropriate." In making this legislative distinction, we urge Congress to exercise great caution. While it is important that patients have meaningful assurances of confidentiality, legislation must not impede health system innovation that continues to enhance quality care.

FEDERAL STANDARDS AND PREEMPTION

Providing uniform national standards for confidentiality is the only way to avoid a dual regulatory structure for medical records. Federal standards that

ensure the confidentiality of patient health information are critical to guaranteeing uniform and consistent treatment of such information throughout the country. At the same time, state authority should remain paramount with regard to areas that do not conflict with national uniformity and consistency, such as state reporting requirements for public health and safety.

While HIAA supports the enactment of federal confidentiality legislation, we note that assurances currently exist in the private market to protect patient health information. Most health plans and hospitals already have in place systems and procedures for ensuring patient confidentiality as a matter of professional practice, and as part of existing accreditation processes.

Laws and regulations governing the collection, use, transmission, and disclosure of health information reach to the heart of the insurance transactional process and have a major impact on insurers' core business and systems functions. These critical functions increasingly are carried out across state lines through the use of computerized data transaction systems.

Therefore, medical record confidentiality is an area of insurance law in which a significant degree of non-uniformity could impede the industry's ability to operate efficiently and meet the demands of its customers. The resources that must be devoted to compliance with differing state laws in this area can be significant. Adding a new layer of federal regulation without preemption of existing state confidentiality laws would only compound the difficulty. High compliance costs resulting from multiple duplicative or conflicting regulatory requirements would almost certainly be passed on to consumers in the form of higher health insurance premiums. Such cost pressures would exacerbate the already looming problem insurers face in readying their computer transaction systems for the year 2000. Moreover, dual state-federal regulation in this area would be directly contrary to the goals Congress set forth for administrative simplification in HIPAA—namely, a uniform set of national rules to simplify the health insurance claims process, reduce paperwork burdens, and reduce costs. Therefore, HIAA would support only those proposed federal laws that would preempt most state laws affecting the insurance industry.

DO NOT IMPEDE ANTI-FRAUD EFFORTS

Patient medical information is important to anti-fraud activities carried out both by the government and by insurers. A 1998 audit by the HHS Office of the Inspector General found that Medicare made improper payments of approximately \$20 billion in fiscal year 1997 alone, and the General Accounting Office has estimated that health care fraud accounts for up to 10 percent of national health care spending each year.

Insurance information and patient information are the vehicles through which health care fraud is committed. Providers cannot falsify claims and medical equipment suppliers cannot submit inflated bills without access to patient information. At the same time, this information is critical to combating fraud, as investigators must depend heavily upon the use of medical records to document fraud cases. This does not necessarily mean that individually identifiable patient information must be publicly disclosed in order to successfully investigate and prosecute fraud. But it does mean that fraud investigators in both the public and private sectors must continue to have access to such information.

When developing federal legislation for confidentiality of health

information, Congress should be mindful that overly prescriptive privacy protections may adversely affect health care fraud enforcement and ultimately be detrimental to consumers.

PROVIDE FAIR PENALTIES FOR IMPROPER USE OF INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION

Although protections currently exist to protect patient confidentiality, there will always be those few who do not play by the rules. Those few should be punished.

Improper uses of patient health information should be prohibited. In fact, HIPAA expressly prohibits insurers offering coverage in connection with group health plans and self-insured employers from denying an individual health care coverage on the basis of health status. In addition, state and federal laws such as the "Americans with Disabilities Act" and the "Civil Rights Act" already are in place to prohibit employment-based discrimination.

Again, the key to resolving this critical issue is balance. While consumers' concerns over the confidentiality of health information must be addressed, we must be careful not to adopt unduly restrictive legislation that undermines the ability of the health care industry to provide these same consumers with the high-quality, affordable health care services they deserve.

ANALYSIS OF REPRESENTATIVE SHAYS' PROPOSAL

We appreciate the opportunity today to comment specifically on the May 14 draft legislative proposal by Representative Shays, the "Consumer Protection and Medical Record Confidentiality Act," which has not yet been formally introduced. Our comments on Representative Shays' proposal reflect our extensive experience not only with other proposed federal legislation, but with the existing National Association of Insurance Commissioners' Insurance Information and Privacy Protection Model Act (the "Current NAIC Model Act") and with the deliberations currently taking place regarding the draft NAIC Health Information Privacy Act (the "Draft NAIC Model Act"), which is still under development. We would like to note for the record that HIAA has major concerns with the Draft NAIC Model Act as currently formulated.

General Observations

At the outset, we note that Representative Shays' proposal is based on a slightly different structural model than the Current NAIC Model, the Draft NAIC Model, the Administration's recommendations for protecting patient confidentiality, and the leading Senate bills. These other initiatives begin with the general proposition that all health information must be kept confidential, and then proceed to provide specific, legislative exceptions to that general rule. In contrast, the draft legislation proposed by Representative Shays provides a list of general prohibitions and consequent penalties.

While this structure holds promise, the real key from our perspective is whether the distinctions between allowable and inappropriate uses of health information are clear and rational, and whether the rules set forth in the legislation are workable or impose undue regulatory burdens on the private health care market.

Having reviewed the draft legislation in some detail, it appears that the proposal meets most of the important HIAA objectives outlined above. We believe that the proposal could provide a sound legislative framework for establishing workable federal rules for health information confidentiality. At the same time, we have significant concerns about several key areas of the legislation, which are outlined in greater detail below. Our comments extend only to those provisions where HIAA member companies have taken a position on reforms that may impact the health insurance industry.

TITLE I-RESTRICTIONS ON USE AND DISCLOSURE

Section 101. General Prohibitions and Exceptions

This section sets forth actions and inactions on the part of a person who discloses individually identifiable health information that are prohibited and constitute a violation of the Act. Prohibited conduct would include the following:

- Negligently or intentionally disclosing individually identifiable health information without an authorization or in a manner that is inconsistent with the terms of the authorization (Sec. 101(1)). We would strongly recommend introducing the concept of "materiality" into this section so that technical violations would not be subject to the civil, criminal, and programmatic penalties prescribed in Sections 301, 302, and 303 of the proposal. This concept is embodied in the Current NAIC Model Act and is consistent with the current position of the NAIC with regard to development of its Draft NAIC Model Act. The HIAA supports the exceptions provided in this section indicating that individual authorizations generally are not necessary for activities related to payment, the provision of health care, licensing and accreditation, and quality assurance. The burden of obtaining, or being unable to obtain, individual authorizations for disclosures in connection with these activities clearly would impede the core business functions of our member companies.
- Negligently or intentionally failing to provide for reasonable protections against disclosures of individually identifiable health information (Sec. 101(2)). The draft legislation would require health insurance carriers and others to develop and implement "reasonable and appropriate" safeguards to ensure the confidentiality of individually identifiable health information and to protect against certain threats to the security of such information. The draft legislation provides no specific definition or guidance as to what protections would be considered "reasonable" or "appropriate." On the one hand, this lack of specificity could allow carriers the flexibility to develop safeguards that are tailored to their own operational needs and the needs of their customers. On the other hand, the language may be interpreted to give regulators and the courts broad license to determine whether carrier practices are reasonable. We believe flexibility is important as carriers' internal operations can differ significantly. Therefore, if this type of language is retained, we urge you to clarify that discretion is intended to be utilized by the private sector rather than regulatory agencies.
- With respect to a person whose employees, agents or contractors come in contact with individually identifiable health information in the course of their employment, agency or contract execution,

negligently or intentionally failing to establish written policies concerning compliance with the Act, including failing to establish procedures for monitoring access to individually identifiable health information (Sec. 101(3)). This language is similar to a provision being considered in the Draft NAIC Model Act and is of major concern to HIAA's members. At issue is the notion that carriers are required to ensure that entities they contract with are in compliance with the Act. Our members are very concerned about the amount of administrative oversight that would be required on their part for ensuring that a contractor is in compliance with the Act, as well as the potential for holding carriers vicariously liable for actions of their contractors.

- Negligently or intentionally failing to enter into a written contract with an agent, contractor or other person to whom individually identifiable health information is disclosed for a business purpose, prior to disclosure, specifying the limitations on their use and retention of such information and informing them of their responsibilities under this Act (Section 101(4)). HIAA's members generally are supportive of this type of notification requirement. However, we would strongly urge you to consider including language that specifically holds insurance carriers harmless for the actions of their agents and contractors, so as to avoid the implicit creation of liability by virtue of the duty to inform.
- Intentional disclosure of individually identifiable health information that constitutes a sale or commercial publication of the information (Sec. 101(9)). Based on the most current draft legislation, it appears that Representative Shays is undecided whether disclosure of health information for commercial purposes should be permitted, even with the individual's authorization (the reference to the exception contained in subsection (b)(2)(B) is in brackets, indicating that the exception may be eliminated). We caution here that both the terms "sale" and "commercial publication" may be subject to overly broad interpretations which could hinder the ability of health insurers to carry out necessary business operations. For example, a carrier may contract for a fee with a group practice or disease management group to provide services for specific enrollees. Another example of a valid commercial use of health information would be sharing such information among affiliates, especially in a managed care setting, for the purpose of notifying enrollees of the availability of preventive programs or other health care services in which they may have an interest. While this type of activity clearly benefits enrollees, it technically could be prohibited by the legislative language in this section without further clarification.

Section 102. Special Rules for Anonymized Information

This section would, among other things, prescribe rules governing access to, and use of, health information in coded form, such as that provided to, and available from, the Medical Information Bureau (MIB). The MIB is a central computerized facility that keeps on file and makes available to HIAA member companies (in coded form and subject to strict confidentiality protections) health information pertaining to applicants for life and health insurance. Subsection (b)(2)(B) of this section would allow anonymized information to be "used" (e.g., obtained from the MIB) by an insurer with proper authorization, which normally is obtained when the individual applies for insurance. At this point, we have not been able to

obtain a final legal opinion as to whether this section of the draft legislation would in any way impede the activities or current confidentiality protections of the MIB. As such, we ask that the Subcommittee provide us an opportunity in the near future to comment more knowledgeably about the potential impact of this provision upon those activities.

Section 103. General Requirements for Authorization of Disclosure of Information

This provision sets forth the content of, and process for, obtaining an individual's authorization for disclosure of health information, where necessary. An authorization would be valid if it satisfies the federal requirements set forth in the draft legislation. HIAA believes that the requirements listed for obtaining a valid federal authorization generally are reasonable. We also support the flexibility which the provision would afford for our member companies-- particularly because so many of their day-to-day operations involving health information are carried out across state lines-- to utilize the uniform federal authorization standards, rather than comply with the potentially inconsistent laws of multiple states.

The draft legislation would require insurers to have in place "reasonable procedures" permitting individuals to revoke an authorization. We would be concerned both from an administrative and legal standpoint if an explicit requirement were included-- either through legislative language or by regulation-- that insurance carriers allow individuals an open-ended opportunity to revoke an authorization at any time. We therefore believe more clarification on this point could be useful in specifying the terms of a "reasonable" procedure for revocation.

Section 104. Disclosure in Civil Proceedings

This section prohibits a person from disclosing individually identifiable health information for use in civil proceedings in the absence of a valid discovery request, subpoena, or judicial order determining that the need for the information outweighs the individual's privacy interest. While we do not have a formal position with regard to this section at this time, we do note that its adoption could delay the discovery or pleading process in a broad array of civil proceedings and therefore could impede the ability of insurers to quickly resolve grievances and benefit coverage disputes. This is particularly true in the context of the Medicare program, where there are specific time frames required for resolving coverage disputes and grievances and against the backdrop of current legislative and regulatory proposals to extend similar time frames to the private market. The provision may also be interpreted to unduly restrict the use of health information in civil insurance fraud proceedings.

Section 105. Disclosure for Criminal Law Enforcement Purposes

This section is similar in construction to Section 104, but relates to disclosure of individually identifiable health information for criminal law enforcement purposes. Again, the HIAA does not have a formal position on this provision at this time as its potential implications are still under legal review. Consistent with the principles set forth earlier in our testimony, however, we would like to highlight the importance and valid use of health information as a tool for insurers to fight health care fraud. We caution Congress to carefully weigh the potential impact that section 105 may have on insurance fraud proceedings and investigations.

TITLE II-INDIVIDUALS' RIGHTS

Section 201. Inspection and Copying of Health Information

In general, this section would require providers, health plans, employers, health or life insurers, schools, and universities to inspect and copy their individually identifiable health information maintained by such entities. We note that the right of individuals to inspect and copy their health information in the possession of carriers, along with the ability of carriers to charge reasonable fees associated with such inspection and copying, is consistent with both the Current NAIC Model Act and the developing Draft NAIC Model Act, and the HIAA does not object to this provision. Again, we encourage Congress to provide as much flexibility as possible for carriers to make a realistic assessment of the cost associated with the burden of allowing inspection and copying of such records.

In addition, the exceptions to the inspection and copying rights specified by the draft legislation (endangerment to life or safety, identification of confidential sources, and information compiled in anticipation of litigation) are supported in concept by the industry. Finally, we support subsections (d), (e), and (f) of this section relating to the process for denial of requests for inspection or copying. We also welcome the reasonable limitations on this individual right relating to agents and hearings that are provided in subsections (g) and (h).

Section 202. Amendment of Individually Identifiable Health Information

The procedures set forth in the draft legislation for: (1) amending individually identifiable health information, (2) refusing to amend, and (3) filing a statement disagreeing with the refusal to amend are consistent with the Current NAIC Model Act. The rules governing agents in subsection (d) also are consistent with the Current NAIC Model Act. These procedures and rules generally are supported by HIAA members. We note, however, that subsection (a)(3), which would require insurance carriers and others to inform any individual or entity to whom unamended information was disclosed during the previous year of an amendment, could impose unreasonable burdens on insurance carriers.

Section 203. Notice of Confidentiality Practices

This section requires insurers to develop and provide notice of their confidentiality practices. The content of the notice is prescribed generally. In addition, the Secretary is required to develop model notices of confidentiality practices which, if used, would serve as a defense to an allegation that a violation of this section has occurred. We welcome the concept of the Secretary's model notice "safe harbor," and believe it could provide additional needed protection to insurers.

TITLE III-ENFORCEMENT

Section 301. Criminal Penalties

As outlined previously, the HIAA supports fair penalties for improper use and disclosure of health information. In this regard, we strongly urge you not to criminalize conduct that amounts to a mere technical violation of this proposed Act. The "knowingly" standard used in this section is not a sufficient bar to prosecution for such minor violations. If Congress believes

criminal enforcement is necessary, we would strongly recommend that criminal penalties be an available remedy only where there is a knowing and willful material violation of the law.

Further, subsection (b)(3) would impose substantially heightened penalties for offenses committed with the intent to sell, transfer, or use health information for "commercial advantage." The draft legislation provides no definition of "commercial advantage." Broadly interpreted, these penalties would appear to conflict with many of the uses specifically recognized as valid under section 101 of the Act. For example, the payment policies of insurance carriers certainly are commercial in nature. To the extent health plans compete on quality and outcomes, quality assurance activities and accreditation processes also may be considered commercial.

These types of commercial activities are not only justified, but they are necessary to deliver quality health care to consumers. Furthermore, we believe it would be nearly impossible to craft a definition of "commercial advantage" that would not interfere with these kinds of beneficial commercial activities. Therefore, we urge you not to provide criminal (or civil) penalties under the proposed legislation for commercial uses of health information.

Section 302. Civil Action

Subsection (a) of this section would grant a private right of action to any individual whose rights under the Act are violated. Because this private right of action as currently drafted extends to violations of all provisions of the Act-- including those that would amount to mere technical violations-- this section has the potential to exacerbate the recent trend toward the use of class action lawsuits against the health insurance industry and subject carriers to liability for significant damage awards. As noted previously, the HIAA believes that the impact of a private right of action may be partially minimized by adopting a materiality standard. The Draft NAIC Model Act, for example, extends a private right of action only to individuals who have been aggrieved by "material" violations of the Act. Even with this modification, however, the HIAA would continue to have grave concerns about increasing the industry's exposure to potentially frivolous lawsuits.

If a private right of action is provided by this Act, HIAA would support the two-year statute of limitations contained in subsection (c) of this section. We would also support the limitation in subsection (d), which would absolve insurers that disclose information consistent with the provisions of this Act from liability for such disclosure under common law. This is consistent with Section 20E of the Current NAIC Model Act.

TITLE IV-GENERAL PROVISIONS

Section 403. Relationship to Other Laws

As noted previously, HIAA supports national uniformity with regard to rules governing the use and disclosure of health information with limited exceptions for those rules reasonably needed to protect public health and safety. It appears that the general preemption language in section 403 of the draft legislation is intended to be relatively broad. It would preempt those state laws directly relating to matters covered by the Act. We would, for example, interpret this language to preempt all state laws requiring individual authorizations for use and disclosure of certain types of health information. Nonetheless, the preemption language in section 403(a)(1) is

somewhat vague. We would recommend that additional language be added specifically preempting states from enacting or continuing in effect laws that duplicate, conflict with, or provide additional requirements with respect to the confidentiality of health information.

In addition, we have significant concerns about the exceptions to preemption in subsection 403(c)(3) of Representative Shays' draft legislation. This subsection would allow a broad exception to preemption for all state laws regulating information about an individual's mental health or communicable disease status. This exception would appear to save laws that go well beyond those designed to protect public health and safety through required reporting. In fact, this language could be interpreted to confer special status on state laws relating to use of these particular types of health information by health insurers and others.

In addition, we note that section 403(c) of Representative Shays' draft legislation would allow for the adoption of state reporting requirements which would be extremely difficult for insurers to administer and which could subject them to unwarranted liability. The May 1, 1998 Draft NAIC Model Act would require carriers to withhold disclosure of protected health information in instances in which: (1) the safety of a person may be jeopardized; (2) the information concerns sensitive health services; or (3) a minor who may lawfully agree to health care without the consent of a parent or legal guardian so requests. If enacted, these provisions would be extremely difficult to administer. These requirements could subject insurance carriers to private actions by individuals who do not want their protected health information to be disclosed to a policyholder, or by policyholders who assert a contractual right to know how the benefits under the policy are being utilized. Our companies are extremely concerned about the potential liability associated with suppressing disclosure of an explanation of benefits form to a policyholder, as well as with the operational feasibility of complying with such a requirement.

Section 405. Effective Date

The provisions of this proposed legislation reach to the heart of insurance transactional processes, and thus will have a major impact on insurers' core business functions from both administrative and systems perspectives. At present, most carriers are revising their computer systems to become "Year 2000" compliant, and are dedicating significant staff programming resources to accomplish this enormous task. Thus, even though the draft legislation provides for an 18-month delayed effective date, it is important to keep these

so-called "Y2K" efforts in mind as any confidentiality legislation moves closer to enactment.

In addition, we would recommend that Congress specifically provide for a negotiated rulemaking process with regard to any regulations developed under this Act, as it has with other matters of this complexity and magnitude.

Section 406. Definitions

The scope of definitions adopted in confidentiality legislation are extremely important to the feasibility of the overall Act.

Specifically, the HIAA believes that the definition of "individually

identifiable health information" in subsection (8) is problematic in part because demographic information is specifically included. At this point, the Draft NAIC Model Act does not extend the scope of individually identifiable health information to include demographic information. Insurers generally believe that restricting the use and exchange of demographic information, especially among affiliates, would unnecessarily limit their ability to communicate with policyholders about other available insurance options.

CONCLUSION

Once again, I appreciate the opportunity to testify before you today on this important issue. We look forward to working with you as you consider federal legislation to protect patient confidentiality. And we urge you to balance carefully the desire to assure confidentiality with the need for the private health care system to continue providing high-quality care to American consumers.

THE WHITE HOUSE AT WORK

Thursday, May 28, 1998

PRESIDENT CLINTON: "WE MUST PASS A BIPARTISAN PATIENTS' BILL OF RIGHTS"

This bill says, how can you let some person with the mentality of an accountant, who will only see the number of what it costs to have somebody do her surgery, who will only see the number at the bottom line of what the chemotherapy costs, make a decision. We're not that kind of people; we're not that kind of society.

- President Bill Clinton
May 28, 1998

Today, President Clinton is joined by Vice President Gore, Secretary of Health and Human Services Donna Shalala, and Secretary of Labor Alexis Herman, in calling on Congress to pass a Patients' Bill of Rights, legislation which offers certain protections to all Americans when they become ill. The President will also release a report showing the impact of health care issues on women, and why a Patients' Bill of Rights is necessary to protect all Americans.

Patients' Bill of Rights. The nation's health care system is undergoing significant change. Many Americans worry that these changes may reduce their health care options and lower the standards of care. The President has already signed an executive order requiring that all federal agencies substantially comply with the Patients' Bill of Rights. Now, these protections must be extended to all Americans. A Patients' Bill of Rights would give Americans much-needed protections, including:

- **Access to health care specialists** to ensure patients receive the appropriate care they need;
- **Access to emergency services** when and where the need arises;
- **Access to easily understood information** to help patients make informed decisions;
- **Grievance and appeals processes** for consumers to resolve their differences with their health plans and health care providers.

A Patients' Bill Of Rights Helps Ensure Women Get Access To the Services They Need. Women are particularly affected by health care issues. A new study shows that:

- **Over 60 percent of physician visits are made by women, and women make three quarters of the health care decisions in American households.** Without adequate patient protections, women will be unable to effectively navigate through the nation's rapidly changing health care system.
- **Women in managed care plans are increasingly dissatisfied with the quality of care.** Nearly 70 percent of privately insured women ages 18 to 65 are in managed care plans. Almost two-fifths of these women worry that they will not be able to get speciality care when they need it. And 27 percent of these women worry that they will be denied a medical procedure they need.

- **Without a patients' bill of rights, women may not receive important preventive services.** The consumer protection that gives women 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 get important preventive services. Studies show that gynecologists are almost two times as likely as internists to perform timely, needed women's preventive services.
- **Patients' Bill of Rights legislation must be passed.** The only way to assure that all women, and all Americans, have the patient protections they need is to pass and enact a Federally-enforceable Patients' Bill of Rights.

State Laws Cannot Protect All Citizens. The President congratulates the 44 states who have passed at least one element of the Patients' Bill of Rights. However, over 122 million Americans are enrolled in health care plans which are not fully governed by state law, and therefore do not enjoy the full protection that these laws are intended to give.

Challenging Congress To Pass A Federally-Enforceable Patients' Bill Of Rights This Year. The President renews his call to Congress to pass a Patients' Bill of Rights this year. Without this legislation, the millions of Americans in private health plans will never be assured these basic protections.

The White House Briefing Room
The White House at Work Archives

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

June 19, 1998

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

- ◆ **Releasing the Largest-Ever Grants at the Department of Defense (DoD) for Prostate Cancer Research.** The President announced that approximately \$25 million for prostate cancer research is being awarded today and another \$34 million will be announced in the next month. Over 600 grant applications were submitted for the prostate cancer research program. The DoD conducted a comprehensive two-tiered scientific review process involving prostate cancer experts, patients, and advocates to identify the most promising proposals. This new prostate cancer research program builds on the widely-acclaimed peer-review breast cancer research program at DoD. DoD will be posting the recipients of these new grants on the Internet.
- ◆ **Proposing Unprecedented Multi-year Increases in Cancer Research at the National Institutes of Health.** The President's budget includes a historic 65 percent increase in cancer research at NIH over the next five years. Since the President took office, research in prostate cancer at the NIH has increased by 100 percent to \$122 million in FY1998. This year alone there are 450 research projects at the National Cancer Institute (NCI) on prostate cancer, including prevention research studying the environmental, dietary and other influences on this disease; and research to develop more effective interventions and design more effective screening techniques. There is also new genetic research in this area, as scientists recently located the first gene that predisposes men to prostate cancer. Also, prostate cancer was the first cancer studied as part of NCI's recently launched Cancer Genome Anatomy Project, which resulted in the discovery of dozens of new genes that may be associated with the development of prostate cancer. In addition, NIH spends many more dollars on the human genome project, and other biomedical research that will help expand out base of knowledge about the diagnosis and treatment of prostate and other cancer.

- ◆ **Supporting Coverage for Cancer Clinical Trials for Medicare Beneficiaries.** The President's budget includes a three-year, \$750 million demonstration to cover Medicare beneficiaries' patient care costs associated with certain Federally-sponsored cancer clinical trials. Medicare currently does not cover cancer clinical trials. This proposal is particularly important for prostate cancer patients because: most of men with prostate cancer are Medicare beneficiaries, as fully 80 percent of those diagnosed with this disease are over age 65; the lack of participation of elderly men in trials has undermined clinical research for the treatment, prevention, and screening for this disease; and given promising new findings in research, NCI expects there may be an increase in clinical trials for prostate cancer, creating a need for even more participants.
- ◆ **Proposing \$25 Million to Raise Awareness About Prostate Cancer Prevention, Treatment, and Screening for Minorities.** African-American men have an incidence rate over 30 percent higher than white men and a mortality rate over 50 percent higher for prostate cancer. The President's race and health initiative includes \$25 million over the next five years at the Center for Disease Control to promote awareness about who is at risk for prostate cancer, current screening options, and the best treatment options for those who are diagnosed with this disease. This investment, in addition to clinical trials underway at the NIH, will also help determine why there is such variation in the prevalence and mortality of prostate cancer.

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

- **Supporting for a Federally-Enforceable Patients' Bill of Rights.** The President has called on Congress to pass Federally enforceable consumer health care protections before it adjourns this fall. This patients' bill of rights contain a range of protections that are particularly important to people with cancer, including guaranteed access to needed health care specialists, continuity of care if a health provider is dropped in the middle of treatment, and access to a meaningful internal and external appeals process for consumers to resolve their differences with their health plans and health care providers. The nation's health care system has changed dramatically, with 160 million Americans now in managed care plans. This legislation will ensure that whether Americans have traditional health insurance or managed care, they are assured quality care.
- **Pushing for Legislation Preventing Health Insurers and Employers from Discriminating on the Basis of Genetic Discrimination.** Scientists recently discovered the first gene related to prostate cancer and more progress in understanding the genetic basis of this disease is expected in the near future. However, progress in genetics has the potential to be undermined by fear of genetic discrimination. One study showed that 63 percent of Americans would not take a genetic test if their health insurers or employers could get access to the results. To ensure that new advances in genetics are used to improve health rather than to discriminate against individuals, the President has called for legislation prohibiting the use of genetic screening to discriminate in health insurance and employment.
- **Enacted New Prostate Cancer Screening Benefit for Medicare Beneficiaries.** As part of the historic Medicare reforms in the Balanced Budget Act of 1997, the President signed into law a series of new preventive benefits for Medicare beneficiaries, including coverage of prostate cancer screening. Starting in 2000, Medicare will cover prostate cancer screening.

THE WHITE HOUSE AT WORK

Monday, June 22, 1998

PRESIDENT CLINTON AND VICE PRESIDENT GORE: IMPROVING HEALTH CARE FOR AMERICANS

The federal commitments I am enacting today give government a new flexibility --cutting across agency lines, forging relationships with private organizations, pooling resources to protect the most vulnerable Americans. This is more than good policy; it is a fundamental obligation to our families. As we approach the 21st century, I am confident we will fulfill that responsibility --and have healthier and stronger families, and a healthier and a stronger America.

President Bill Clinton
June 22, 1998

Today, President Clinton and First Lady Hillary Rodham Clinton attend the Seventh Annual Family Re-Union Conference being hosted by Vice President Al Gore and Tipper Gore in Nashville, Tennessee. The President announces several important health care initiatives aimed at improving the health of older Americans and children, and reaffirms his support for a Patients' Bill of Rights to make the health care system more responsive to the needs of families.

A Plan For Tracking Teenage Tobacco Use. Before leaving for the Family Re-Union Conference, President Clinton called on the Department of Health and Human Services to gather more accurate and in-depth data on teen tobacco use, provide information on teen tobacco use by brand, and give parents and public health officials greater information on how marketing campaigns affect teen smoking habits.

A Forum To Discuss Family Issues. Since 1992, the Vice President and Mrs. Gore have moderated an annual conference to explore ways in which public policy can be viewed through the lens of the family. These "Family Re-Union" Conferences provide the Vice President and others who make policy at the federal, state and local level an opportunity to hear from and learn from the experience of families themselves, and those who work with them. The theme of this year's conference is families and health, the President and Vice President will announce a series of major policy initiatives to improve the quality of health care for our nation.

Signing Up Uninsured But Eligible Children For State Health Insurance Programs. Over 4 million children are eligible for Medicaid but are not enrolled, and as the new Children's Health Insurance Program (CHIP) is implemented, even more families will have children who are eligible for State/Federal health insurance coverage. Today, the President will sign an Executive Memorandum instructing eight federal agencies to implement over 150 new initiatives to help sign up the millions of children who are eligible for, but not enrolled in, health insurance. These initiatives include:

- **Sending over 350,000 letters** to federal workers, including Head Start teachers, school nurses, child support workers, and community health center directors, asking them to ensure that all of the families they work with whose children are eligible for Medicaid or CHIP are enrolled;

- **Working with national organizations** to help enroll children in health insurance programs. The government will work with diverse groups, from grandparents in Medicare to historically black colleges to educate and identify new strategies to help get eligible children health care coverage. This initiative will also ensure that public housing projects, walk-in IRS centers, and job centers have information about how to enroll eligible children in health insurance;
- **Releasing a new guide to help child care workers enroll uninsured children.** The Department of Health and Human Services is releasing a new child care handbook to ensure that child care workers understand how to identify and enroll families with eligible, but uninsured children in a health care plan.

A National Campaign To Improve The Health Of Older Americans. Today, the President and Vice President will:

- **Implement historic preventative benefits for Medicare recipients.** Starting July 1st 1998, Medicare will cover two critical preventative benefits -- bone mass measurement tests for osteoporosis, and diabetes education;
- **Create a nationwide Medicare Education Alliance Network** between the private and public sector that will work to ensure that families have the information they need to make critical health decisions;
- **Launch a new Internet site** for Medicare beneficiaries. To better educate families about health care decisions involving older family members, a new Internet site, www.medicare.gov is being launched so families can remain up-to-date on new Medicare policy initiatives and health options.

The White House Briefing Room
The White House at Work Archives

PRESIDENT CLINTON AND VICE PRESIDENT GORE ANNOUNCE NEW INITIATIVES TO IMPROVE HEALTH FOR CHILDREN AND OLDER AMERICANS AT FAMILY REUNION CONFERENCE HOSTED BY VICE PRESIDENT AND MRS. GORE

June 22, 1998

Today, at the seventh Family Reunion Conference in Tennessee hosted by Vice President and Mrs. Gore, the President and Vice President announced a series of new initiatives to improve health for older Americans and children, and to make the health care system more responsive to the needs of families.

Children: issued an Executive Memorandum that directs eight Federal agencies to implement over 150 new initiatives to help enroll the millions of uninsured children eligible for but not enrolled in health insurance programs; **Older Americans:** developed a multi-faceted national health initiative for older Americans, which includes: new preventive benefits for Medicare beneficiaries; a national Internet site; and a new nationwide public/private National Medicare Alliance Network with over 80 organizations to ensure older Americans have the information they need to select health plans and encourage prevention and wellness; **Families:** renewed the call on Congress to pass a patients' bill of rights.

CHILDREN: SIGNED EXECUTIVE DIRECTIVE TO IMPLEMENT OVER 150 NEW FEDERAL COMMITMENTS TO ENROLL ELIGIBLE BUT UNINSURED CHILDREN. Over 4 million uninsured children are eligible for but not enrolled in Medicaid, and as the new Children's Health Insurance Program is implemented, even more families will have children who are eligible for state or federal health insurance programs. Today, the President signed an Executive Memorandum that cuts across jurisdiction and traditional agency inflexibility by directing eight Federal agencies -- ranging from HUD to SSA to the Education Department -- to implement over 150 new Federal initiatives to help sign up the millions of uninsured children eligible for but not enrolled in health insurance programs. This action illustrates how a responsive and flexible government can meet the evolving needs of families. The initiatives include:

- **Sending Letters to 350,000 Federal Workers, Including Head Start Teachers, School Nurses, Child Support Workers, and Community Health Center Directors** asking them to ensure that all of the families they work with whose children are eligible for Medicaid or CHIP are enrolled in these programs.
- **Working With National Organizations and Programs That Reach Millions of Families to Help Enroll Children in Health Insurance Programs**, including educating grandparents through the Medicare program, holding a conference with Historically Black Colleges to identify new strategies, and ensuring that sites, including 15,000 public housing projects, 400 IRS walk-in centers, and 113 job centers, have information for families about how to enroll children in health insurance.
- **Releasing a New Guide to Help Child Care Workers Enroll Uninsured Children.** Child care centers are one family-friendly setting where parents can learn about insurance programs they may be eligible for. There are already many efforts underway to link child care centers with the health needs of the millions of children in child care. Today, the Department of Health and Human Services is releasing a new child care handbook "Child Care and Medicaid: Partners for Healthy Children" to ensure that child care workers understand how to identify and enroll families with uninsured children.

OLDER AMERICANS: ANNOUNCED NEW NATIONAL CAMPAIGN TO IMPROVE HEALTH OF OLDER AMERICANS. One of the greatest concerns for families is the health of older family members. Today, the President and Vice President:

- **Implemented Historic New Preventive Benefits for Medicare Beneficiaries.** The President and Vice President announced that starting July 1st, for the first time, Medicare will cover two critical preventive benefits -- bone mass measurement tests to detect osteoporosis and diabetes education. The President signed into law these new benefits -- as well as a series of preventive benefits to detect cancer, which were implemented earlier this year -- as part of the historic Balanced Budget Act of 1997. These benefits underscore how Medicare is trying to encourage better health outcomes for families.
- **Launched a New Internet Site for Medicare Beneficiaries.** Families need good information to help make the best health care decisions for older family members. Today, the President and Vice President launched a new nationwide Internet site (Medicare.gov) so that families can understand the options and services Medicare provides. This information will be even more critical as the historic changes the President enacted as part of the Balanced Budget Act of 1997 are implemented this fall. These reforms give beneficiaries new plan choices that will improve care for older Americans, but also have the potential to cause confusion.
- **Created a Nationwide Public/Private Medicare Education Alliance Network, including over 80 National Organizations, to Ensure Families Are Informed Health Care Consumers.** The President and Vice President announced that over 80 organizations, including the AFL-CIO, American Association of Retired Persons, Older Women's League, National Rural Health Association, and American Association of Family Physicians, are joining with the Health Care Financing Administration, Administration on Aging, and National Institutes of Health to launch a new National Medicare Alliance Network that will work to ensure that families have the information they need to make critical health decisions including: ensuring that Medicare beneficiaries learn of the new preventive benefits and other prevention and wellness strategies; understand new plan options so they can select the health plan that best meets their needs; and know the consumer protections available under Medicare.

FAMILIES: MAKING THE HEALTH CARE SYSTEM MORE RESPONSIVE TO THE NEEDS OF FAMILIES

- **Renewing Call on Congress to Pass a Patients' Bill of Rights.** The President also urged Congress to stop delaying and pass a patients' bill of rights to ensure that all families have the patient protections they need in a rapidly changing health care system. This patients' bill of rights should contain a range of protections, including guaranteed access to needed health care specialists, access to emergency room services when and where the need arises, and access to a meaningful internal and external appeals process for consumers to resolve their differences with their health plans and health care providers.

**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 every State Insurance Commissioner across 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 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 AT WORK

Tuesday, July 7, 1998

PRESIDENT CLINTON: INCREASING ACCESS TO HEALTH CARE

This is a moment of unsurpassed hope and opportunity. If we put aside partisanship for the sake of progress, we can give all Americans the health care protections they deserve and strengthen the nation for the 21st Century.

-President Bill Clinton
July 7, 1998

Today, President Clinton issues an Executive Memorandum directing the Office of Personnel Management (OPM) to take all necessary actions, up to and including termination from the Federal Employees Health Benefits Program (FEHBP), against health insurers of federal employees who do not comply with the protections afforded by the Health Insurance Portability and Accountability Act (HIPAA). In addition, the President announces that the Health Care Financing Administration (HCFA) and the National Association of Insurance Commissioners (NAIC) will forward any reports of violations to OPM.

Reports Show Possible Evasion Of Kassebaum-Kennedy. The HIPAA law helps individuals keep health insurance when they change jobs, guarantees renewability of coverage, and insures access to health insurance for small businesses. According to the General Accounting Office (GAO), 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 have reportedly delayed processing applications submitted by HIPAA-eligible individuals or small groups in order to ensure that applicants have a sufficient break in their coverage to lose eligibility for Kassebaum-Kennedy protections.

Presidential Action To Stem Abuse. Today, the President takes strong action against insurers who violate the Kassebaum-Kennedy protections, including:

- **Directing OPM To Ensure Health Plans Are In Compliance with Kassebaum-Kennedy** in order to participate in the FEHBP. These health insurers will be required to certify that they are providing access to health insurance consistent with HIPAA protections;
- **Instructing OPM To Take All Action, Including Termination** of health plans that delay or deny coverage to federal employees who are eligible for health insurance under Kassebaum-Kennedy. 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 qualified Americans;
- **Directing HCFA To Report Any Abuses To OPM.** The President is

directing the HCFA to inform OPM of any actions taken by an insurer or an insurer's representative that in any way precludes or inhibits access to the insurance protections provided by HIPAA;

- **Announcing A Collaborative Effort To Help Stop Abuses.** The NAIC has also committed itself to identifying and reporting to OPM any instances of insurers denying or delaying access to Kassebaum-Kennedy protections;
- **Requesting A Report In Six Months** from the Departments of Labor and Health and Human Services measuring the successes and obstacles of implementing HIPAA protections.

Increasing Access To Health Care. The President has led the fight to assure HIPAA provides millions of Americans access to health insurance. When the President first learned of reports of insurers circumventing HIPAA, he instructed HHS to take appropriate action to stop health insurers from engaging in these forms of harmful and likely unlawful practices. HCFA responded immediately by mailing a guidance bulletin to all state insurance commissioners for distribution to private insurers. This bulletin advised insurance companies that denying or delaying HIPAA protections was unlawful and underscored the federal government's commitment to ensuring compliance. The President also fought for key reforms that were included in Kassebaum-Kennedy, including:

- An increased insurance tax deduction for self-employed Americans from 30 to 80 percent, with a phase in to 100 percent under the Balanced Budget Act of 1997;
- A coordinated effort by the HHS Office of Inspector General and the Department of Justice to combat waste, fraud, and abuse that has, in its first year, saved the Medicare Trust Fund nearly \$1 billion;
- Making private long-term care more affordable by guaranteeing employer sponsored long-term care is given the same tax treatment as health insurance;
- Implementing new consumer protections to assure that any tax favored product meets basic consumer and quality standards.

The White House Briefing Room
The White House at Work Archives

THE WHITE HOUSE AT WORK

Wednesday, July 15, 1998

PRESIDENT CLINTON: A PATIENTS' BILL OF RIGHTS FOR QUALITY HEALTH CARE

To ensure that every American is protected by a Patients' Bill of Rights, Congress must also act. In the remaining days left in this legislative session, I call on the Congress once again to pass a strong, enforceable Patients' Bill of Rights, a bill that guarantees access to specialists, so people with cancer, heart disease, and other life-threatening illnesses get the care they need, a bill that guarantees continuity of care, so pregnant women can have the same doctor throughout their pregnancy, even if that doctor is dropped from a plan, a bill that makes these rights real by guaranteeing a remedy to people who have been injured or lost family members as a result of a bad decision. That is the kind of comprehensive Patients' Bill of Rights America needs and deserves. We need progress, not partisanship.

President Bill Clinton
July 15, 1998

Today, President Clinton meets with doctors, nurses, and families from around the nation to highlight the need for Congress to pass a strong, enforceable Patients' Bill of Rights this year. During this roundtable event, President Clinton announces that the federal government is implementing the Patients' Bill of Rights for the 85 million Americans in federal health plans and that the Department of Veterans Affairs (VA) is beginning implementation of an external appeals process for the 3 million veterans served by the VA.

President Clinton Calls On Congress To Pass An Enforceable Patients' Bill Of Rights. For eight months the President has been urging Congress to pass a Patients' Bill of Rights that includes:

- *Guaranteed Access To Needed Health Care Specialists;*
- *Access To Emergency Room Services When And Where The Need Arises;*
- *Continuity Of Care Protections To Assure Patient Care* will not change abruptly 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;*
- *An Enforcement Mechanism That Ensures Recourse For Patients* who have been maimed or die as a result of health plan actions.

Implementing The Patients' Bill Of Rights For Americans In Federal Health Plans. While Congress has delayed passing Patients' Bill of Rights legislation, the Clinton Administration is taking steps to protect patients. In February 1998, the President signed an Executive Memorandum directing the federal health plans overseeing 85 million Americans to implement the Patients' Bill of Rights. The VA is also beginning the implementation of an external appeals process for the 3 million veterans served by the VA. This new external

appeals process builds on other protections already in place at the VA, including: (1) assuring patients full participation in treatment decisions, (2) access to specialists, (4) access to women's health services, (5) preventing anti-gag clauses, (6) financial incentives to limit care, and (7) one of the most extensive internal appeals processes in the country.

The Republican Proposal Falls Short Of Assuring Patients The Protections They Need. With less than forty days left in this Congressional Session, the Republican proposal for patient protections falls short in many areas, it does not include (1) access to specialists, (2) financial incentives for doctors so that patients are not put at risk through unknown financial incentives to limit patient care, (3) a strong, workable enforcement provision that is essential to ensure that these protections are real. Moreover, the Republican proposal only applies to Americans in self-insured plans and excludes the majority of Americans who are in fully-insured plans, leaving tens of millions of Americans excluded from these protections unless the rights they need are passed by their state legislature.

The President Remains Focused And Committed To Passing A Strong Patients' Bill Of Rights. Although the President disagrees with Republican proposals on this issue, he is committed to passing a strong, enforceable Patients' Bill of Rights this year. The President's leadership is ensuring fundamental health protections for 85 million Americans -- now Congress must join the President and pass this vital legislation.

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**PRESIDENT CLINTON ANNOUNCES FEDERAL HEALTH PLANS LEAD THE WAY AT
AN AMA PATIENTS' BILL OF RIGHTS ROUND TABLE UNDERSCORING NEED
FOR PASSING STRONG LEGISLATION**

July 15, 1998

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

- **Doctors, nurses, families of patients, and benefits managers from around the country endorsed the critical need for Congress to pass a patients' bill of rights.** The individuals that met with the President in today's round table discussion with the AMA include: (1) a man from Chicago whose wife died after her HMO forced her to travel from Hawaii to Chicago in an emergency to be treated at an in-network hospital; (2) a woman from Kansas whose husband died because he was delayed and denied access to specialist for heart surgery until it was too late; (3) a man from Seattle Washington whose sister died after her health plan reversed a treatment decision it should have covered in the first place after it was too late for the treatment to be effective; (4) a Massachusetts oncologist who has seen countless patients who are denied access to the specialists they need; (5) the President of the American Nurses Association who spoke on behalf of thousands of nurses around the country who every day see the devastating health consequences for patients who have been denied access to specialists, or has an abrupt transition in care; and (6) a woman who reviews claims in an oncologists' office and has witnessed, again and again, health plans who deny patients access to the care they need.
- **While Congress delays passing legislation, the Clinton Administration is implementing the patients' bill of rights for Americans in Federal health plans, including unveiling a new external appeals process for veterans.** Today, the Department of Veteran Affairs is announcing that they are beginning the implementation of an external appeals process for the three million veterans served by DVA. This new external appeals process builds on the other protections already in place at DVA, including assuring patients full participation in treatment decisions, access to specialists, access to women's health services, preventing anti-gag clauses, preventing financial incentives to limit care, and one of the most extensive internal appeals processes in the country. In February, the President signed an Executive Memorandum to bring all Federal health plans, which serve 85 million Americans, in compliance with the patients' bill of rights.

- **The President reiterated his call on Congress to pass a enforceable patients' bill of rights before they adjourn.** For nine months the President has been calling on Congress to pass a patients' bill of rights that includes: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity of care protections to 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. Any bill of rights should include an enforcement mechanism that ensures recourse for patients who have been maimed or who have died as a result of health plan actions. A right without a meaningful remedy is simply not a right.
- **The Senate Republican patients' bill of rights proposal announced today is closer to an insurers' bill of rights than a patients' bill of rights.** After nine months of ignoring the President's call for a strong enforceable, bipartisan patients' bill of rights, the Senate Republicans have responded with a rhetoric-laced, partisan proposal that places the interests of insurers above the needs of patients. The proposal, for which their continues to be no legislative language, falls far short of what patients need to ensure that their health plans are held accountable for their basic health care needs. Specifically, it does not include access to specialists, financial incentives for doctors so that patients are not put at risk through unknown destructive financial incentives to limit patient care; and a strong, workable enforcement provision that is essential to ensure that these protections are real. Moreover, the Republican proposal, however inadequate, only applies to Americans in self-insured plans and excludes the majority of Americans who are in fully-insured plans. Therefore, those tens of million of Americans excluded from these protections would only have the rights they need if every state passed every protection into law.
- **The President remains committed to passing a strong enforceable patients' bill of rights in this Congress.** Notwithstanding his concerns about the Republican bill, the President will work to pass a strong enforceable patients' bill of rights this year. The patients' bill of rights has been a longstanding priority for the President. In 1996, he called for the establishment of a bipartisan Quality Commission to examine the changing health care system. In March of 1997, he appointed the Commission and instructed them to develop a patients' bill of rights as their first order of business. In November, he endorsed the patients' bill of rights and called on Congress to make it the law of the land. In his State of Union address, he focused the nation on this issue and reiterated his call on Congress to pass this legislation. One month later, he issued an Executive Memorandum directing the Federal health plans overseeing 85 million Americans to implement the patients' bill of rights. Since that time, he has been ensuring that the Federal agencies are implementing these protections and reiterating his call on Congress to pass legislation this year.

THE WHITE HOUSE AT WORK

Thursday, July 16, 1998

PRESIDENT CLINTON: A GOOD AND BI-PARTISAN PATIENTS' BILL OF RIGHTS

We cannot spare another moment in securing passage of a strong, enforceable Patients' Bill of Rights. To do that, we must work together. To protect our families, to save them from the needless suffering that pains us all, we need a bipartisan approach -- not partisan bills that are about political positioning.

President Bill Clinton
July 16, 1998

Today, President Clinton joins Democratic and Republican members of Congress on Capitol Hill to support passage of a good and bipartisan Patients' Bill of Rights. The President will also highlight the bipartisan approach to this issue taken by Reps. Greg Ganske (R-IA) and John Dingell (D-MI).

President Clinton Calls On Congress To Pass An Enforceable Patients' Bill Of Rights. President Clinton is working to protect Americans and guarantee Americans fundamental protections in health care decisions. For nine months the President has been urging Congress to pass a Patients' Bill of Rights. In February 1998, the President signed an Executive Memorandum directing the federal health plans overseeing 85 million Americans to implement the Patients' Bill of Rights. The President has said that Patients' Bill of Rights legislation must meet the following objectives:

- *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 change abruptly 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;*
- *An Enforcement Mechanism That Ensures Recourse For Patients who have been maimed or die as a result of health plan actions.*

The President's Plan Has Broad Support. President Clinton's plan has been endorsed by many groups, including the American Medical Association, National Breast Cancer Coalition, AIDS Action, and others who believe, as the President does, that medical decisions should be made by patients in consultation with their doctors and nurses.

Republican Proposals Do Not Provide Adequate Patient Protections. Republicans are supporting legislative policies that fall short of providing essential protections, for example, they:

- *Do Not Guarantee Access To Specialists.*
- *Do Not Limit Or Require Disclosure Of Financial Incentives For*

Doctors. Patients should not be put at risk through unknown financial incentives given to doctors to limit patient care.

- *Do Not Compensate Patients Who Are Maimed Or Die As A Result Of A Wrongful Health Plan Action.*
- *Do Not Provide 100 Million Americans The Patient Protections They Need.* Republican proposals only apply to those in self-insured plans. Some 100 million Americans would only receive the protections they need if every state passed every protection into law.
 - *States Patients' Rights Laws Do Not Provide The Protections Patients Need.* A report released today by Families USA shows that no state has passed all of the protections in the Patients' Bill of Rights, and most states have only passed a few of these protections.
 - *Millions of Americans Working In Small Businesses Would Not Be Covered.* Most Americans who work in small businesses would not be protected by the Republican proposal, which explicitly excludes them.

The President's Leadership Is Helping Ensure Basic Health Care Protections For Americans. Americans need to be ensured that important protections, like access to a health care specialist or the emergency room is guaranteed. President Clinton has already extended these rights and others to 85 million Americans in federal health plans, now it is time for Congress to act so all Americans can be guaranteed these vital protections.

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PRESIDENT MEETS WITH REPUBLICANS AND DEMOCRATS IN SUPPORT OF PASSING A STRONG PATIENTS' BILL OF RIGHTS

July 16, 1998

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

The President reiterated his call on Congress to pass a strong enforceable patients' bill of rights before they adjourn. For nine months the President has been calling on Congress to pass a patients' bill of rights that includes: guaranteed access to needed health care specialists; access to emergency room services when and where the need arises; continuity of care protections to 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. Any bill of rights should include an enforcement mechanism that ensures recourse for patients who have been maimed or who have died as a result of health plan actions. A right without a meaningful remedy is simply not a right.

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

- **Do not guarantee access to specialists.** We have heard again and again about patients who could not see oncologists or specialists to treat heart conditions or diabetes. The Republican proposals do not assure that patients with critical health needs have access to the specialists they need.
- **Do not limit or require disclosure of financial incentives for doctors.** Patients should not be put at risk by unknown destructive financial incentives to limit patient care.
- **Do not compensate patients who are maimed or who die as a result of a wrongful health plan action.** A right without a remedy is simply not a right. The Republican Leadership proposals do not have adequate recourse for patients who are maimed or injured by their health plans.

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

- **Does not provide over 100 million Americans all of the patient protections they need.** The Senate Republican proposal only applies to Americans in self-insured plans and excludes the majority of Americans. Therefore, those tens of million of Americans excluded from these protections would only have the rights they need if every state passed every protection into law.
 - **States patients' rights laws do not provide the protections patients need.** As a new report released by today Families USA highlights, no state has passed all of the protections in the patients' bill of rights, and most states have passed only a few of the protections.
 - **Unfair to Americans in small businesses.** Most Americans who work in small businesses would not be protected by the Senate Republican proposal. The plan explicitly excludes these Americans from these protections and holds them hostage to the hope that every state will some day pass these protections.
 - **Inconsistent with the bipartisan Kassebaum-Kennedy law.** Rejects bipartisan Kassebaum-Kennedy approach that guarantees insurance protections are extended to all Americans.
- **Does not provide any enforcement provision.** This is even worse than the House proposal which contained a weak enforcement mechanism.

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

Announced the Need to for Support of the Patient's Bill of Rights.

At the Patient's Bill of Rights event this past July, you proclaimed that it is the responsibility of this government to make managed care the most efficient and cost-effective system possible. With the moving stories of victims of HMO mistreatment, you created a poignant reminder that cases such as these are not isolated events. We must have a comprehensive national legislation to protect all individuals. Yet, as you illustrated, not a single state has passed all of the provisions that the patient's bill of rights contains. As you described, the Republican bill offers assistance and coverage to too few. With your support of the bill by Senators Kennedy and Daschle, you empower individuals to exercise their rights to use legal enforcement in order to receive necessary health services. (July 16, 1998, Dirksen Senate Building).

At the Patient's Bill of Rights Roundtable at the American Medical Association this July, you met with doctors, nurses, and families from around the nation, all of which emphasized the need for Congress to pass a strong patient's bill of rights. You announced that for the 85 million Americans in Federal health plans, a patient's bill of rights has been implemented, as the Federal government is leading the way in patient protection. Also, the department of Veterans Affairs has begun its implementation of a new procedure to help veterans appeal health decisions. You reiterated your call to Congress to pass a strong patient's bill of rights that guarantees access to specialists so that people with cancer, heart disease, and other life-threatening illnesses can get the health care they need. The Senate Republican patient's bill of rights, as proposed, is more of a bill of rights for insurers, not individuals. This inadequate legislation has only strengthened your commitment to passing a strong, enforceable patient's bill of rights. (July 15, 1998).

At the seventh Family Reunion Conference in Tennessee, you made several announcements on initiatives that would make health care more responsive to families, older Americans, and children. You issued an Executive Memorandum directing eight Federal agencies to implement initiatives to help eligible children who are not enrolled in health insurance programs. You also aided older Americans an initiative that includes new preventative benefits for Medicare beneficiaries, a national Internet site, and a new public/private National Medicare Alliance Network to ensure that these individuals have information to improve health and wellness. You also renewed your encouragement for Congress to pass a patient's bill of rights (June 22, 1998).

On July 7, 1998, memorializing the one year anniversary of the implementation of the Kassebaum-Kennedy legislation, you directed the Office of Personnel Management (OPM) through an Executive Memorandum to take action to ensure that health insurers act in full compliance with this legislation in order to participate in the Federal Employees Health Benefits Program. OPM must also take all necessary actions, including termination, against insurers that violate the protections sustained in the Health Insurance Portability and Accountability Act (HIPAA). Violation of this legislation will be reported by the Health Care Financing Administration (HCFA) and the National Association of Insurance Commissioners (NAIC) to OPM, which permits this agency to take strong and decisive action.

On March 13, 1998, you set forth some new initiatives in order to improve the quality of

health care in America. By accepting the final report from the Advisory Commission on Consumer Protection and Quality, you describe the need to create an advisory council for health care quality, as well as, the need for a health care forum. The Executive Memorandum you issued would direct the five Federal agencies to immediately establish an interagency task force that would see that the Federal government is in the lead with health care improvements. Finally, by urging Congress to pass a patient's bill of rights, patients would be given access to the specialists they need, emergency room services, and an external appeals process to address grievances with the health plans. (March 13, 1998).

With Vice President Gore, Senator Daschle, and Representative Gephardt, you called for legislation proposing much needed national health care consumer protections for all Americans. Among your main recommendations was the Patient's bill of Rights, which calls for guaranteed access to needed health care providers, emergency services, as well as confidentiality of medical records and accessibility to a grievance and appeals process. Your past actions toward insuring the quality and accessibility of health care to all individuals have been far-reaching, such as improvements to the Medicare trust fund, the enactment of the \$24 billion Children's Health Care Initiative, signing the Kassebaum/Kennedy Health Care Bill, and raising immunization rates to an all time high. (January 14, 1998).

On July 21, 1998, you announced stringent new legislation to improve the quality of nursing homes. This legislation would require nursing homes to conduct criminal background checks on all personnel, and place individuals in a national abuse registry if they are found guilty of abusing nursing home residents. Nutrition and hydration are also concerns, therefore more categories of nursing home employees would be able to receive training in nutrition and hydration function in order to better perform their duties. You also called on Congress to reauthorize the nursing home ombudsman program run by the Administration on Aging. In accordance to this legislation, you announced new administrative actions to improve nursing home quality. HCFA will begin immediate civil monetary penalties on nursing homes that violate federal standards, as well as strengthen states' nursing homes inspections. HCFA will also increase its oversight of state surveyors and will take strong action against states who fail to adequately enforce standards. New oversight measures are in place to ensure that nursing homes prevent bed sores, dehydration, and malnutrition, and post nursing home survey results on the internet. HCFA has begun collecting information through a national automated data system on resident care. This information, known as the Minimum Data Set, will help HCFA and surveyors detect problems early through more thorough evaluations. (July 21, 1998).

In your Father's Day radio address, you announced the release of nearly \$60 million in grants by the Department of Defense to promising researchers making important contributions to the diagnosis and treatment of prostate cancer. Prostate cancer accounts for 30 percent of cancer in men, with the diagnoses of 200,000 men this year and nearly 40,000 deaths. The budget has also included a historic 65 percent increase in cancer research at the National Institute of Health for the next five years, as well as a three-year, \$750 million demonstration to cover Medicare beneficiaries' patient care costs associated with certain Federally-sponsored cancer clinical trials. Your race and health initiative includes \$25 million over the next five years at the Center for Disease Control to promote awareness about risk and current screening and treatment

options. These proposals have built upon your already strong record in the War Against Cancer. This includes your strong support of a Federally-enforceable pat

THE WHITE HOUSE AT WORK

Tuesday, July 21, 1998

PRESIDENT CLINTON: IMPROVING THE QUALITY OF NURSING HOME CARE

Moving a parent to a nursing home is one of life's most difficult decisions. But with these steps, we are giving families the security of knowing that we are doing everything we can to make our nation's nursing homes safe and secure.

President Bill Clinton
July 21, 1998

Today, President Clinton announces tough new legislative and administrative actions to improve the quality of nursing homes and crack down on nursing homes that do not follow the rules. These actions include: ensuring swift and strong penalties for nursing homes failing to comply with standards, strengthening oversight of state enforcement mechanisms, developing a national registry to track and identify individuals with a record of abusing residents, and implementing unprecedented efforts to improve nutrition and prevent bed sores.

The Need To Ensure Quality Care In Nursing Homes. There are approximately 1.6 million older Americans and people with disabilities that receive care in roughly 16,700 nursing homes nationwide. Problems like the inappropriate use of physical restraints and a shortage of hearing aids for those in need were reduced by the enactment of new regulations by the Health Care Financing Administration (HCFA) in 1995. However, HCFA's ongoing review of nursing home care, and a report being sent to Congress today by the Department of Health and Human Services (HHS), shows that tougher enforcement is needed to ensure high quality care in all nursing homes.

A Presidential Plan To Improve Nursing Home Care. This week, the President is sending Congress tough new legislation that calls for:

- *Nursing Homes To Conduct Criminal Background Checks On All Potential Employees;*
- *The Establishment Of A National Abuse Registry To Keep Track Of Those Convicted Of Abusing Residents;*
- *Improving Nutrition and Hydration Therapy By Allowing More Categories Of Nursing Home Employees To Perform These Functions*
- *Reauthorization Of The Nursing Home Ombudsman Program Run By The Administration On Aging.*

New Administrative Actions To Improve The Quality Of Nursing Homes. Today, the President is also announcing the implementation of new penalties, inspections, and tougher oversight of nursing homes by the HCFA, including:

- *Immediate Civil Monetary Penalties Against Nursing Homes That Violate Federal Standards;*
- *Tougher Nursing Home Inspections, including: (1) Staggered survey times to prevent inadequate nursing homes from preparing for inspections; (2) Targeting nursing home chains with bad records; (3)*

Cooperative efforts with the HHS Office of the Inspector General and the Department of Justice to refer severe violations of quality care standards for criminal investigation and prosecution where appropriate;

- *Stronger Federal Enforcement Of State Nursing Home Oversight* and tougher actions against those states that are failing to enforce standards. The HCFA will: (1) Terminate federal nursing home inspection funding to states with consistently poor records; (2) Increase oversight of state inspections; (3) Ensure that nursing homes are in compliance with standards before lifting sanctions;
- *Publishing Nursing Home Survey Results On The Internet*;
- *Preventing Bed Sores, Dehydration, and Malnutrition* by requiring state surveyors to monitor actions taken by nursing homes to prevent these ailments;
- *Implementing New Efforts To Measure And Monitor Nursing Home Quality*. This month, the HCFA began collecting information on resident care through a national automated data system that will be analyzed to identify potential areas of inadequate care in nursing homes and to assess performance in critical areas.

The White House Briefing Room
The White House at Work Archives

PRESIDENT CLINTON ANNOUNCES INITIATIVE TO IMPROVE THE QUALITY OF NURSING HOMES

July 21, 1998

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

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

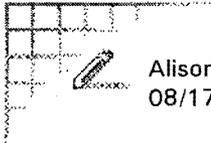
The President Is Sending Legislation to Congress This Week That Calls for:

- **New Criminal Background Checks.** An important way to improve the quality of nursing homes is to prevent personnel who have a criminal record from entering the system in the first place. The legislation the President is proposing would require nursing homes to conduct criminal background checks on all potential personnel.
- **National Abuse Registry.** Once inadequate personnel have been identified, they should be kept out of the system for good. The new legislation would establish a national registry of nursing home employees convicted of abusing residents.
- **Improved Nutrition and Hydration.** Currently, too few nursing home staff are available to help feed residents. To improve nutrition in nursing homes, this legislation would allow more categories of nursing home employees to receive training in and then to perform crucial nutrition and hydration functions.
- **Reauthorization of the Nursing Home Ombudsman Program.** The President also called on Congress to reauthorize the nursing home ombudsman program run by the Administration on Aging, which provides consumers with critical information on poor-quality nursing homes, including records of abuse and neglect.

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

- **Immediate Civil Monetary Penalties on Nursing Homes That Violate Federal Standards.** To crack down on inadequate providers, HCFA will direct enforcement authorities to impose civil monetary penalties immediately upon finding that a nursing home has committed a serious or chronic violation. Under current practice, enforcement officials often give nursing homes numerous opportunities to come into compliance, rather than imposing immediate sanctions.
- **Tougher Nursing Home Inspections.** Starting today, HCFA will take several steps to strengthen states' inspection of nursing homes, such as:
 - Staggering survey times: The report that HCFA is transmitting to Congress finds that nursing home inspections are too predictable, allowing inadequate nursing homes to prepare for inspections. Enforcement officials will now stagger survey times and conduct some surveys on weekends and evenings.
 - Targeting chains with bad records: Federal and State officials will target nursing home chains that have a poor record of compliance with quality standards, to ensure these nursing homes receive frequent inspections.
 - Prosecuting egregious violations: HCFA also will work with the HHS Office of Inspector General and Department of Justice to refer egregious violations of quality of care standards for criminal or civil investigation and prosecution when appropriate.
- **Stronger Federal Oversight of State Nursing Home Enforcement Mechanisms.** HCFA will increase its oversight of state surveyors and take new tough actions against states that are failing to enforce standards adequately. It will:
 - Terminate Federal nursing home inspection funding to states with continual poor records. The report being released by HCFA finds that some states have cited few or no nursing homes for substandard care. In states where oversight is clearly inadequate, HCFA will terminate state contracts and contract with other entities to conduct Federally-required inspections.
 - Increase oversight of state inspections. HCFA will increase its review of the surveys conducted by the states to ensure thorough oversight, as well as provide additional training and assistance to state enforcement officials.
 - Ensure that nursing homes are in compliance with standards before lifting sanctions. HCFA will increase oversight of state enforcement officials to ensure that they will not lift sanctions until after an on-site visit has verified compliance.

- **Preventing Bed Sores, Dehydration, and Malnutrition.** HCFA will implement new oversight to ensure that nursing homes take actions to prevent bed sores, dehydration, and malnutrition. State surveyors will be required to monitor these activities and to sanction nursing homes with patterns of violations. HCFA also will work with the Administration on Aging, the American Dieticians Association, clinicians, consumers, and nursing homes to develop best practice guidelines to prevent malnutrition, dehydration, and bedsores.
- **Publishing Survey Results on the Internet.** To increase accountability and flag repeat offenders for families and the public, HCFA will, for the first time, post individual nursing home survey results on the Internet.
- **Implementing New Efforts to Measure and Monitor Nursing Home Quality.** In June 1998, HCFA began collecting information on resident care through a national automated data system, known as the Minimum Data Set. This information will be analyzed to identify potential areas of inadequate care in nursing homes and to assess performance in critical areas, such as nutrition, avoidable bed sores, loss of mobility, and use of restraints. This assessment will help HCFA and state surveyors to conduct thorough evaluations of nursing homes and detect problems early.



Alison M. Kolwaite
08/17/98 05:10:30 PM

Record Type: Record

To: See the distribution list at the bottom of this message
cc: John Dankowski/WHO/EOP, Michael D. Malone/WHO/EOP, Virginia Apuzzo/WHO/EOP, Lucia Sanchez/WHO/EOP
Subject: Weekly Events

INTERN WEEKLY EVENTS WEEK OF AUGUST 17-21, 1998

TOURS SCHEDULED FOR THIS WEEK

The Washington Post
Monday August 17th 3:00 PM

FBI
Thursday August 20th 9:05 AM

Pentagon
Friday August 21st 9:00 AM

Directions are available in the Intern Office. Please arrive at the tour location 15 minutes before the scheduled tour time.

TOUR SIGN-UPS THIS WEEK

CIA
Tuesday August 25th 9 AM
Transportation will be provided. Van will pick participants up on West

Executive Avenue at 8:00 AM and return to the OEOB at noon. Space is very limited.

All sign-up sheets are available one week before the scheduled tour dates in the Intern Office at 9:00 am.

Social Committee

The Social Committee is hosting an Intern Talent Show on Wednesday August 26th. To participate sign-up in the Intern Office as soon as possible. For more information contact Necva at 6-2930 or Lucia at 6-2742.

The Intern Office is organizing the purchase of White House Intern Program T-shirts (\$7.00). Sign-up is in the Intern Office. Deadline for purchase is close of business on Wednesday August 17th. Cash only. Limit one per person. T-shirts will be delivered on Tuesday August 25th. All interns are responsible for picking up their own T-shirts. For more information contact the Intern Office at X62742.

Community Service Working Group

The Community Service Working Group is hosting Intern participation in several volunteer opportunities this week:

Calvary Women's Shelter

Wednesday August 19th 6:30 - 7:30 PM

Interns are welcome to join the Community Service Working Group in delivering collected donations from the toiletries drive to the Calvary Women's Shelter. Sign-up sheet is available in the Intern Office. Space is limited. Participants will meet at the Intern Office at 6:00 to travel to the Shelter, which is Metro accessible. Contact the Elizabeth Wilson at X69062 for more information.

Food And Friends

Friday August 21st 7:00-9:00 AM

Food and Friends is a nonprofit community organization which prepares and delivers meals to homebound people living with HIV or AIDS. Volunteers are needed for meal preparation. Location is Metro accessible. Directions are available in the Intern Office. For more information or to sign-up contact Lauren Skryzowski X65371.

Habitat for Humanity

Saturday August 22nd 9:00 - 4:00

Join the Northern Virginia chapter of Habitat for Humanity to work on one of 24 houses built by the organization since 1990. Lunch will be provided. Contact Lauren Skryzowski at X65371 or Dan Klein at 6-2930 to sign-up and for more information.

KEEN (Kids Enjoy Exercise Now)

Sunday August 23rd

Noon-4:30 PM

Spend an afternoon playing sports with kids who have disabilities. Contact Jessica Leach at 6-5904 for more information and to sign-up.

**INTERNS ARE WELCOME TO ATTEND
ALL THE EVENTS LISTED!**

Call the Intern Hotline for updated and detailed
information daily!