

THE WHITE HOUSE
Office of Media Affairs

FOR IMMEDIATE RELEASE
May 12, 1995

Contact: 202/ 456-7150

**Republican Budget Proposals:
A Broken Contract with American Families and their Parents in Colorado**

Medicare

"The Republican budget is wrong for working families, it is wrong for the elderly, it is wrong for the economy and I think it is wrong for the country...These Medicare cuts are being used to fund the crown jewel of the 'Contract,' which is the huge tax cut for the wealthy." White House Chief of Staff Leon Panetta, 5/ 10/ 95

Republicans are proposing the largest Medicare cuts in history. The House Republican proposal calls for \$279 billion in Medicare cuts over the next seven years. This means that on average Medicare beneficiaries would pay \$1,028 more in 2002 alone and \$3,447 over seven years. (This analysis assumes that 50% of the total proposed Medicare cuts would come from beneficiaries and 50% from providers.)

Over 423,000 Medicare enrollees in Colorado would pay \$1,116 more in 2002 alone and \$3,630 more over seven years. Overall, the state of Colorado would lose \$1.1 billion in Medicare funding in 2002 alone and \$3.6 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,504 over seven years on 139,810 working families in Colorado.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Colorado, 90,110 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
A Broken Contract with American Families and their Parents in Connecticut**

Medicare

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Over 503,906 Medicare enrollees in Connecticut would pay \$1,167 more in 2002 alone and \$3,885 more over seven years. Overall, the state of Connecticut would lose \$1.2 billion in Medicare funding in 2002 alone and \$4.1 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,408 over seven years on 87,860 working families in Connecticut.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Connecticut, 39,096 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
A Broken Contract with American Families and their Parents in Delaware**

Medicare

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Over 100,000 Medicare enrollees in Delaware would pay \$1,215 more in 2002 alone and \$4,002 more over seven years. Overall, the state of Delaware would lose \$281 million in Medicare funding in 2002 alone and \$899 million over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,532 over seven years on 30,050 working families in Delaware.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Delaware, 7,283 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
A Broken Contract with American Families and their Parents in Florida**

Medicare

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Over 2.6 million Medicare enrollees in Florida would pay \$1,578 more in 2002 alone and \$5,082 more over seven years. Overall, the state of Florida would lose over \$9.3 billion in Medicare funding in 2002 alone and \$29 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,575 over seven years on 731,507 working families in Florida.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Florida, 193,147 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
A Broken Contract with American Families and their Parents in Georgia**

Medicare

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Republicans are proposing the largest Medicare cuts in history. The House Republican proposal calls for \$279 billion in Medicare cuts over the next seven years. This means that on average Medicare beneficiaries would pay \$1,028 more in 2002 alone and \$3,447 over seven years. (This analysis assumes that 50% of the total proposed Medicare cuts would come from beneficiaries and 50% from providers.)

Over 832,000 Medicare enrollees in Georgia would pay \$1,090 more in 2002 alone and \$3,649 more over seven years. Overall, the state of Georgia would lose \$2 billion in Medicare funding in 2002 alone and \$6.7 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,593 over seven years on 438,261 working families in Georgia.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Georgia, 102,576 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
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Medicare

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150,818 Medicare enrollees in Hawaii would pay \$1,173 more in 2002 alone and \$3,710 more over seven years. Overall, the state of Hawaii would lose \$432 million in Medicare funding in 2002 alone and \$1.3 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,409 over seven years on 31,564 working families in Hawaii.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Hawaii, 4,328 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
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Medicare

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Republicans are proposing the largest Medicare cuts in history. The House Republican proposal calls for \$279 billion in Medicare cuts over the next seven years. This means that on average Medicare beneficiaries would pay \$1,028 more in 2002 alone and \$3,447 over seven years. (This analysis assumes that 50% of the total proposed Medicare cuts would come from beneficiaries and 50% from providers.)

Over 149,000 Medicare enrollees in Idaho would pay \$436 more in 2002 alone and \$1,603 more over seven years. Overall, the state of Idaho would lose \$149 million in Medicare funding in 2002 alone and \$532 million over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,519 over seven years on 51,241 working families in Idaho.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Idaho, 18,311 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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Contact: 202/456-7150

**Republican Budget Proposals:
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Medicare

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Republicans are proposing the largest Medicare cuts in history. The House Republican proposal calls for \$279 billion in Medicare cuts over the next seven years. This means that on average Medicare beneficiaries would pay \$1,028 more in 2002 alone and \$3,447 over seven years. (This analysis assumes that 50% of the total proposed Medicare cuts would come from beneficiaries and 50% from providers.)

Over 1.6 million Medicare enrollees in Illinois would pay \$784 more in 2002 alone and \$2,770 more over seven years. Overall, the state of Illinois would lose \$2.6 billion in Medicare funding in 2002 alone and \$9.3 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,520 over seven years on 494,997 working families in Illinois.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Illinois, 198,053 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

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**Republican Budget Proposals:
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Medicare

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Republicans are proposing the largest Medicare cuts in history. The House Republican proposal calls for \$279 billion in Medicare cuts over the next seven years. This means that on average Medicare beneficiaries would pay \$1,028 more in 2002 alone and \$3,447 over seven years. (This analysis assumes that 50% of the total proposed Medicare cuts would come from beneficiaries and 50% from providers.)

Over 827 million Medicare enrollees in Indiana would pay \$881 more in 2002 alone and \$2,994 more over seven years. Overall, the state of Indiana would lose \$1.6 billion in Medicare funding in 2002 alone and \$5.3 billion over seven years.

Tax Increase

Republicans are increasing taxes on millions of working families by scaling back the Earned Income Tax Credit (EITC). The Senate Republican budget proposal would raise taxes by \$21 billion over the next seven years on more than 12 million working households.

This would mean an average tax increase of \$1,507 over seven years on 224,795 working families in Indiana.

College Costs Increase

By eliminating the in-school interest exemption, House Republican proposal would raise college costs for four million students nationwide by up to \$3,000 each.

In Indiana, 122,317 students would have to pay up to \$3,000 more in costs for college loans or 18 percent per month in higher repayments.

Alabama

Legislative activity: (IHPP, 1994; Blue Cross, Blue Shield, 1994)

Key 1994 actions No major activity in 1994. Governor's Health Care Reform Task For deferred decisions on state reform initiatives until 1995.

Managed care-oriented reform: A 1994 law, challenged by Blue Cross and Blue Shield, requires insurers to reimburse services rendered by non-participating providers.

Medicaid:

Collects a provider tax which HCFA has disallowed, and a provider tax (\$11.3 million) which it is probable that HCFA would disallow.

Submitted 1115 waiver concept paper to expand eligibility and benefits for women and children through a single managed care network in Mobile County.

High Disproportionate Share Program State

Out of compliance with the Hyde Amendment.

Insurance Coverage, 1993 (March 1994 CPS)	State	US
Employer-Sponsored Insurance	54%	57%
Medicare	12%	9%
Medicaid	8%	9%
Other	9%	10%
Uninsured	17%	15%
Enrollment in HMOs (% population) (AARP, 1994)	6.4%	17.4%
Health Expenditures		
Health Spending Per Person, 1994 (AARP, 1994)	\$2,976	\$3,068
Percent Population with High Out-of-Pocket Costs, 1992 (AARP, 1994)	12.7%	9.9%
Medicaid Costs per Recipient, FY 1993 (HCFA)	\$3,527	\$4,123
Health Status and Utilization (AARP, 1994)		
Low birth weight babies (%): White rate	6.5%	5.8%
Black rate	13.0%	13.6%
AIDS cases per 100,000, FY 1993	17.0	37
Hospital admissions per 1,000, 1992	156.2	131.5
Emergency unit visits per 1,000, 1992	486.0	375.6

** Note: These categories are mutually exclusive. If a person has both employer-sponsored insurance and Medicare or Medicaid, then that person is considered covered by employer-sponsored insurance. If a person has both Medicare and Medicaid, then that person is considered covered by Medicare. Thus, the Medicare and Medicaid counts do not match program data. Percents may not sum to 100% due to rounding.

House Republicans have prepared a presentation on Medicare for use at town meetings during the August recess. The theme of this presentation is that Medicare is going broke and that the Republican plan will save the program and increase choice of coverage options, all without imposing significant new burdens or financial obligations on beneficiaries.

The Republican presentation is replete with half truths and outright misstatements. Overall, it is designed to create a false impression of unprecedented, looming fiscal crisis in the Medicare trust fund. The clear purpose is to alarm senior citizens and trick them into supporting the Republican proposals for Medicare reform. The presentation then goes on to describe the Republican "solution" to this crisis as benign, even beneficial to senior citizens when, in fact, it would have the effect of destroying Medicare's protection.

Below are some of the most egregious claims included in the Republican presentation and the truthful responses to them.

Claim: Medicare is in serious financial crisis that threatens its viability. Unless action is taken soon, Medicare won't be there for those who need it. (Charts 1-4)

Truth: Reports of Medicare trust fund bankruptcy are being distorted by Republicans for partisan gain.

The problem of projected insolvency is not new. In virtually every year since the trustee reports began, insolvency has been projected. In 12 of those years, insolvency was projected within a 10 year time frame.

Following each such projection, Congress and the Administration acted to secure the trust fund and extend its life. That is precisely what President Clinton has proposed this year.

Claim: Medicare's financial crisis is a new problem that begins next year. It has never happened before in the history of the program. (Charts 5-6)

Truth: There have been several other times in history when Medicare spending has exceeded Medicare revenues. That is what reserves are for. In raising this issue, Republicans are creating a false impression of crisis.

What matters is whether there are sufficient funds in the trust fund to pay Medicare claims. There are sufficient funds for at least the next 7 years. The President and Congressional Democrats already acted in 1993 -- without one Republican vote -- to extend the life of the Medicare trust fund for 3 years. The President's balanced budget proposal would ensure that the Medicare trust fund can continue to pay its bills for more than a decade (11 years) from today. Consistent with many times in our history, this allows adequate time to adapt to the future.

Claim: Medicare is structurally flawed so that spending is out of control. Evidence of this is the difference between what workers contribute to Medicare and the value of Medicare benefits. (Chart 7)

Truth: This is a tremendous distortion of the truth. Of course Medicare pays out more per beneficiary than workers contribute during their working lives. That is because health care costs are growing much faster than wages, not because Medicare costs are out of control.

In fact, what matters is that Medicare keeps its cost growth on a par with the private sector. From 1984-1993, Medicare per capita cost increases were lower than growth in the private sector. In the future, according to CBO, Medicare costs per capita are projected to grow only about 1 percentage point faster than private per capita costs.

Claim: The retirement of the baby boomers will exacerbate the problem of Medicare's out of control spending. That is why we must take action today to seriously curtail Medicare spending. (Charts 8-9)

Truth: As the baby boomers turn 65, starting in 2010, Medicare does have financing problems. These problems have been with us since Medicare began. The question is how to deal responsibly with this demographic reality. The President's proposal would buy us better than 10 years to develop responsible responses. The Republican proposal would destroy the program.

Claim: Medicare spending is rising more than twice as fast as private sector health care costs. (Chart 11)

Truth: Medicare spending per capita is most certainly not increasing at twice the rate of the private sector. As noted earlier, CBO data show spending

growth rates are comparable.

The particular portion of the private sector Republicans are comparing with Medicare rates doesn't take into account large employer savings achieved at the expense of workers and ignore large segments of the private sector where individuals have been shut out of the health insurance market.

Finally, this chart compares aggregate -- not per capita -- growth rates, another unfair distortion. Medicare's rolls are constantly growing while privately insured Americans are losing their coverage at an alarming and consistent rate.

Claim: Medicare spending will continue to grow at rates adequate to protect seniors under the Republican plan. No Medicare cuts are envisioned. (Charts 12-13)

Truth: While Republicans would allow Medicare to grow at 4.9% per person per year, private sector health care costs are expected to grow at 7.1% per year. That means Medicare's buying power would erode every year for every beneficiary. That is a cut, no matter how you look at it.

While the Republicans say beneficiary spending would be \$6650 in 2002, costs of coverage would be \$1000 higher even if Medicare grew at precisely the rate of private sector per capita health costs.

Claim: Republicans will give Medicare beneficiaries greater choice of plans, similar to that enjoyed by Members of Congress. (Chart 14-15)

Truth: While Republicans promise beneficiaries a choice of plans, all of these choices will be worthless with the Republican Medicare cuts. The cost of coverage will rise 40 percent faster than the value of the vouchers Republicans will give beneficiaries. The real choice beneficiaries will face will be to pay more or get less coverage. That's not choice, it's financial coercion.

The choice Republicans promise Medicare beneficiaries is not the choice Members of Congress now enjoy. Under Members of Congress' health plan, the government's contribution rises with the cost of health coverage. For Medicare beneficiaries, though, Republicans would tie vouchers to a fixed growth rate that would not keep pace with rising health insurance costs. Medicare beneficiaries deserve at least the same level of financial protection as Members of Congress.

Claim: If you don't want to choose different coverage, Republicans guarantee you can keep your traditional Medicare. (Chart 16-18)

Truth: If you want to keep your Medicare, you can certainly stay in Medicare under the Republican's plan. Sadly, that Medicare will buy you less and less protection. Between 1996 and 2002, Republicans would have you pay \$2825 (or \$5650 per couple) more in premiums and cost sharing.

COALITION TO SAVE MEDICARE

"Mobilize to Save Medicare"

August 13, 1995

10:30 a.m. - 12:00 noon

Room 325 , Senate Russell Office Building

Press: At least seven cameras, several print reporters.

There was one very vocal senior (a gray panther) that interrupted several of the speakers.

Notes on the event:

I. Jake Hansen (Seniors Coalition) co-chair of the Coalition opened up the event. He introduced Pam Baily (Healthcare Leadership Council) the other co-chair. She introduced Sen. Dole.

II. Sen. Dole spoke briefly. He opened up his remarks using the 1983 efforts to rescue Social Security as an example of bipartisan efforts to solve a problem. The same efforts should be used to solve Medicare.

Sen. Dole noted that he voted against Medicare. He said he supported a better option -- Eldercare.

Commenting on the current debate he said, "We're not talking about devastating Medicare."

Sen. Dole discussed the Trustee's Report and the need for action. In approaching these efforts he said, "We want to make it last -- we don't want to make it political." He then proceeded to attack the President's efforts saying, "He [the President] refuses to step up to the plate and say lets fix it."

On the Republican plan he said, "Our plan is to preserve, protect and improve Medicare."

III. Speaker Gingrich had not arrived yet, so they went to David Walker, former member of the Social Security and Medicare Board of Trustees.

Walker gave a ten minute slide presentation. He said that the Trust Fund peaked in 1992 and will be out of money in 2002. Walker compared 1994's report to 1995's saying that many got a false sense of security. "We cannot support the growth" of the current Medicare system, he noted.

IV. Speaker Gingrich was next. He said he just "left a meeting with the AARP." His big points were that no matter what happens now, we are going to have a new set of

problems with the baby boomers. And, he made several promises: Medicare expenditures per senior citizen will go up over the next seven years; the GOP plan will be more generous, with more choices and opportunities than the current status; no senior citizen will be forced out of its current policy; and the plan will eliminate federal bureaucracy and waste.

- V. **Former Congressman Tim Penny** was introduced next. "I'm here today because at least one Democrat should speak out in favor of reform," Penny said. "My party sees an opportunity to draw a wedge" with this issue, although both parties are committed to saving Medicare. "No member would want to dismantle the Medicare system." He used the Concord Coalition (he's a board member) as an example of bipartisanship. Highlighted the recent Concord Coalition poll on Medicare -- including their findings that Americans favor means testing for Medicare.

- VI. **Next they moved into the "Perspectives" section.**

The National Association of Manufacturers speaker's big point was that in the global economy everything is becoming more competitive. Medicare, too, must be altered.

The Manhattan Primary Care speaker represents both a fee-for-service and an HMO. He had glowing things to say about HMOs.

Charlotte Stone told a moving (and long) story about how an HMO saved her life.

Georgia Republican Sen. Paul Coverdall laud this event and said "we need to be talking to each other."

Citizens Against Government Waste's speaker said that at least 10% of Medicare is lost to waste, fraud and abuse. He said in their polling, seniors were willing to sacrifice some of their Security Security and therefore would probably be willing to do the same for Medicare.

Congressman John Boehner briefly addressed the groups. He said we are in a communications war to get out our message.

The last speaker was from Communicating for Agriculture. They have set up 29 state programs including Medical Savings Accounts. "Medicare has not saved our hospitals." "Medicare has done nothing to help rural America." "The private sector can re-engineer change."

Hansen and Baily closed.

COALITION TO SAVE MEDICARE

"We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis."
Social Security and Medicare Board of Trustees, 1995

MOBILIZE TO SAVE MEDICARE

Thursday, August 3, 1995

10:30 a.m. - 12:00 noon

Room 325, Senate Russell Office Building

Agenda

- I. Introduction and Opening Statement
- II. Preserving Medicare for Current and Future Generations
House Speaker Newt Gingrich
Senator Majority Leader Bob Dole
Other members of House Leadership
- III. Medicare's Finances Today and Tomorrow
David Walker, Member, Social Security and Medicare Board of Trustees
- IV. Medicare Reform: A Non-Partisan Issue
The Honorable Tim Penny
- V. Solutions to the Medicare Crisis: Different Perspectives
 - Jerry Jasinowski, National Association of Manufacturers
 - Charlotte Stone, Beneficiary
 - Michael Kramer, M.D., Manhattan Primary Care, PC
 - Jeff Smedsrud, Communicating for Agriculture
 - Tom Schatz, Citizens Against Government Waste
- VI. Communicating with America on the Medicare Crisis
Senator Paul Coverdell
- VII. Closing Remarks

COALITION TO SAVE MEDICARE

"We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis."
 Social Security and Medicare Board of Trustees, 1995

Members

The Seniors Coalition, Chair
Healthcare Leadership Council, Chair

- Alliance for Managed Care
- American Association of Preferred Provider Organizations
- Bayer Corporation
- Citizens Against Government Waste
- Citizens for a Sound Economy
- Communicating for Agriculture
- Council for Affordable Health Insurance
- Morrison Restaurants Inc.
- National-American Wholesale Grocers' Association/
- International Foodservice Distributors Association (NAWGA/IFDA)
- National Association of Manufacturers
- National Association of Wholesaler-Distributors
- National Council of Chain Restaurants
- National Restaurant Association
- National Taxpayers Union
- Pharmaceutical Research and Manufacturers of America
- Physicians Health Plan
- Physicians Health Services, Inc.
- Small Business Survival Committee
- Swedish Medical Services
- U.S. Chamber of Commerce
- 60 Plus Association

...and growing

COALITION TO SAVE MEDICARE

*"We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis."
Social Security and Medicare Board of Trustees, 1996*

FOR IMMEDIATE RELEASE
August 3, 1995

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202-347-5731
Claire del Real, Healthcare Leadership Council
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DOLE, GINGRICH ATTEND MEDICARE TEACH-IN

Featured Democrat Demonstrates Bipartisan Concern About Medicare's Future

Washington, DC, August 3 -- Senior citizens, business leaders and members of the health care community converged on Capitol Hill today to hear Republicans and Democrats speak on the need to take steps to save Medicare from bankruptcy. The non-partisan event was designed to educate citizens on the status of the Medicare program and to mobilize them to support efforts to restore Medicare's solvency.

House Speaker Newt Gingrich (R-GA) and Senate Majority Leader Robert Dole (R-KS) discussed the need to strengthen and simplify Medicare, as well as to expand the health care choices seniors currently have. They will be working on a plan to save Medicare during the next two months.

The event was sponsored by the newly formed Coalition to Save Medicare (CSM), which is co-chaired by Pamela G. Bailey, President of the Healthcare Leadership Council, and The Seniors Coalition's Jake Hansen. The CSM -- which represents seniors, taxpayers, large and small businesses, and members of the health care industry -- believes Medicare can be strengthened and its solvency restored by giving seniors more choices.

"Medicare is facing a financial crisis that will not go away," Mrs. Bailey said. "We must act now to put Medicare back on sound financial footing. Waiting is not an option."

Mr. Hansen observed, "Both parties have acknowledged that Medicare is headed toward bankruptcy, and both parties should work together to fix it."

David Walker, a member of the Social Security and Medicare Board of Trustees, informed those attending the event of Medicare's looming insolvency. Walker pointed out that Medicare's hospital trust fund will begin spending more than it takes in next year and will run completely dry by the year 2002.

Former Democratic Congressman Tim Penny of Minnesota also spoke at the event, noting that Medicare's financial problems should be a concern to Democrats and Republicans alike. He said both parties need to work together to find a solution so that Medicare can be preserved for the retiring baby boom generation and their children.

A diverse panel representing a shared interest in Medicare -- consisting of a senior citizen; a business leader; an expert on waste, fraud and abuse; and a representative from rural America -- offered their personal perspectives on Medicare and the need to strengthen it. Groups like this will be mobilized to take the "Save Medicare" message to the grassroots throughout the country in the coming weeks.

COALITION TO SAVE MEDICARE

*"We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis."
Social Security and Medicare Board of Trustees, 1995*

Mission Statement:

The Medicare system is in a state of crisis, and the Coalition to Save Medicare is dedicated to preserving, simplifying and strengthening Medicare. We believe that the solution does not lie with higher taxes, dramatic cost-shifting or reductions in the quality of medical care available to the elderly. Instead, policy makers should simplify and improve the system by opening it up to new options and opportunities while avoiding inappropriate government intervention or selection, thus using market forces to reduce excessive costs and improve the quality of care available.

The Coalition to Save Medicare further believes that strengthening Medicare is too important to be left to "politics as usual." Rather, we must act immediately to preserve Medicare for current retirees and to strengthen the system for future generations by holding the Medicare spending increase to a slower rate of growth. We also believe that while we must preserve the existing program for those who want it, senior citizens deserve the same choices that are available to other Americans and that they need to be encouraged to help root out waste, fraud and abuse in the system.

COALITION TO SAVE MEDICARE

*"We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis."
Social Security and Medicare Board of Trustees, 1995*

Fact Sheet

The Problem

- **Medicare will be bankrupt in seven years.**
The Medicare Trustees 1995 Annual Report states that by the year 2002, the program will be unable to pay hospital benefits.
- **Average beneficiaries receive far more than they put in.**
The average two earner couple receives \$117,200 more than it contributes (plus earned interest) to the program. The average one earner couple receives \$126,700 more.
- **The pool of taxpayers funding Medicare is ever shrinking.**
In 1965 there were 5.6 taxpayers to each Medicare beneficiary. Today there are 3.3 to each, and in 2002 there will be only 3.1 taxpayers for each beneficiary. By 2035 the ratio will be just 2 to 1.
- **Medicare is a bureaucratic monopoly without the efficiencies that have been developed in the competitive market.**
Last year, private employers' premiums fell by a per capita average of 1.1%. Medicare grew by 10% in 1994.
- **Failure to act would be disasterous.** The
Medicare Trustees say benefits will have to be reduced by thirty percent or taxes will need to be raised by 44 percent to restore Medicare's solvency, unless changes are made to the program.

The Solution

The long term solution to slowing Medicare's growth rate is to give consumers choices. Choices will drive competition while bringing prices down. This will also give consumers more benefit options. Quality and innovation will be the standard by which plans are chosen. This isn't a new idea. It's working today for both business and Members of Congress.

COALITION TO SAVE MEDICARE

*"We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis."
Social Security and Medicare Board of Trustees, 1995*

THE MEDICARE TRUSTEES' REPORT: A NON-PARTISAN WARNING

Each year, the Medicare trustees issue a report on the status of the Medicare trust funds. On April 3, they disclosed that Medicare will soon be bankrupt and urged Congress to respond swiftly to this crisis.

- **The Medicare trustees are a non-partisan, impartial board that reports on the status of Medicare each year.**
 - ▶ **The trustees consist of four Clinton Administration officials -- the Treasury Secretary, the Labor Secretary, the Health and Human Services Secretary and the Social Security Commissioner -- and two non-Administration officials who represent the public.**

- **The Medicare trustees warned that Medicare is headed toward bankruptcy.**
 - ▶ **The trustees' report said Medicare's hospital trust fund (Part A), which covers hospital services for seniors, will begin to experience "increasing annual deficits" in 1996 and will be depleted in 2002.**
 - ▶ **In addition, the costs of Medicare's supplementary medical insurance program (Part B), which pays doctor bills, has grown by 53 percent over the past five years.**

- **The Medicare trustees said that, under the current system, balancing Medicare's hospital trust fund for the next 25 years would require tax increases or a reduction in benefits.**
 - ▶ **The trustees report stated, "either outlays would have to be reduced by 30 percent or income increased by 44 percent (or some combination thereof)."**

- **The Medicare trustees urged Congress to act quickly to address Medicare's problems.**
 - ▶ **The trustees said the hospital trust fund "is severely out of financial balance and the trustees believe that the Congress must take timely action to establish long-term financial stability for the program."**

Medicare at 30: An Opportunity for All Americans

A GHAA Discussion Paper July 1995

The Group Health Association of America (GHAA), which represents the nation's health maintenance organizations, believes that modernizing and strengthening Medicare are among America's most urgent priorities. HMOs, which offer comprehensive, coordinated, high-quality, cost-effective health care to more than 50 million Americans, are prepared to play a key role in modernizing Medicare, and this discussion paper is offered as a contribution to that process. GHAA expects to offer additional recommendations as the policymaking process evolves.

The Problem: Medicare

Medicare will be bankrupt in seven years.

The Medicare Trustees 1995 Annual Report states that by the year 2002, the program will be unable to pay hospital benefits.

Average beneficiaries receive far more than they put in.

The average two-earner couple receives \$117,200 more than it contributes (plus earned interest) to the program. The average one-earner couple receives \$126,700 more.

One side

The pool of taxpayers funding Medicare is shrinking.

In 1965, there were 5.6 taxpayers to each Medicare beneficiary. Today there are 3.3 to each, and in 2002 there will be only 3.1 taxpayers to each beneficiary. By 2035, the ratio will be just 2 to 1.

Medicare is an outdated, bureaucratic monopoly that features none of the efficiencies that the private, competitive market has developed.

In 1994, private employers' premiums fell by a per capita average of 1.1 percent. Medicare grew by 10 percent in 1994.

The Solution: Strengthen Medicare

other

- Under a reformed Medicare system, senior citizens would have access to health plans that would pay for: prescriptions, eye exams, eyeglasses, routine physicals, ear care and hearing aids, podiatry care and other services not covered by Medicare now.
- Medicare reform would simplify a system that most people can't understand.
- Medicare reform would give seniors a choice to remain in traditional Medicare or enroll in other types of health plans which offer more services and are available to other Americans. Seniors would still be able to choose their doctors.
- Seniors would still be able to choose a health plan with limited out-of-pocket costs (typically a \$5 or \$10 copayment).
- Medicare reform is good for senior citizens. Medicare reform is good for America. If we don't strengthen Medicare now, we won't have Medicare for future generations.

THE LONG TERM SOLUTION TO SLOWING MEDICARE'S GROWTH RATE IS TO GIVE CONSUMERS CHOICES. CHOICES WILL DRIVE COMPETITION WHILE BRINGING PRICES DOWN. CHOICE ALSO WILL GIVE CONSUMERS MORE BENEFIT OPTIONS. QUALITY AND INNOVATION WILL BE THE STANDARD BY WHICH PLANS ARE CHOSEN. THIS ISN'T A NEW IDEA. IT'S WORKING TODAY FOR BOTH BUSINESSES AND MEMBERS OF CONGRESS.

Coalition to Save Medicare

Dear Mr. President:

Please join Congress in a bipartisan effort to protect, preserve, and improve Medicare.

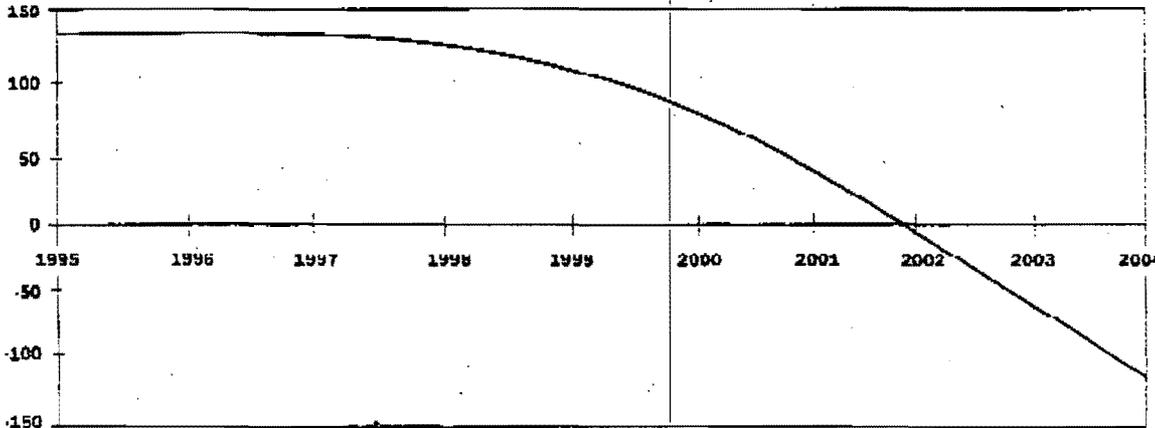
Sincerely,

Name _____

Address _____

City, State, Zip Code _____

Medicare's Path to Bankruptcy

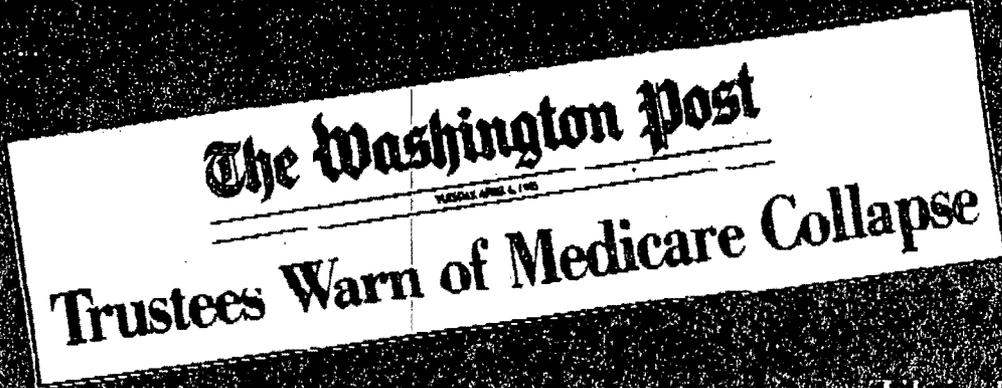


Source: 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund

The Trustees report the Medicare trust fund will be bankrupt in seven years. If that happens, the federal government, by law, must stop paying for inpatient hospital and other trust fund-paid Medicare services.

The Seniors Coalition, 11166 Main Street, Suite 302, Fairfax, VA 22030, 703-591-0663

If you think Medicare will always be there...



Think again

"The Federal Hospital Insurance (HI) Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range."

—The Medicare Board of Trustees' 1995 Annual Report

This is the second year in a row the trustees have warned of Medicare's impending bankruptcy. The trustees include three members of President Clinton's Cabinet: Treasury Secretary Rubin, Labor Secretary Reich and Health and Human Services Secretary Shalala.

Hospital Insurance (Part A) Trust Fund

Calendar Year	Total Income	Total Disbursements	Net Change	Fund at end of year
1996	124.1	125.0	-0.9	122.4
1997	129.3	135.6	-6.2	129.2
1998	134.6	146.5	-11.9	117.3
1999	139.4	158.2	-18.8	98.4
2000	144.5	170.8	-26.3	72.1
2001	149.7	184.5	-34.7	37.4
2002	154.9	199.0	-44.1	-6.7

Source: 1995 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund (dollars in billions)

The situation is so serious the trustees say Medicare's
short-term survival requires an

**Immediate increase in payroll taxes of 44 percent or immediate
decrease in Medicare spending of 30 percent**

(Trustees' 1995 Report, pg. 27)

These options are *unacceptable*. The administration and Congress must immediately address this crisis.

More than 32 million senior citizens and four million disabled people rely on Medicare for their health care security.
Yet the president's FY '96 budget does not address the trust fund's impending bankruptcy.

Delegates to the White House Conference on Aging and other Americans are ready to participate in developing reforms that protect, preserve and improve Medicare. Medicare is too important—and the crisis is too deep—to ignore.

But we cannot save Medicare until President Clinton and Congress address the problem.

Postage
goes here

President Bill Clinton
The White House
Washington, DC 20500



**CITIZENS
AGAINST
GOVERNMENT
WASTE**

MEDICARE REALITY CHECK

**The War on Waste:
Chronicles of Medicare Waste, Fraud and Abuse**

CONGRESSIONAL ALERT: Number 1

August 3, 1995

SAVE MEDICARE FROM WASTE, FRAUD AND ABUSE

According to Medicare's Trustees, Medicare will go bankrupt in seven years if the current rate of spending is not reduced. If Medicare is allowed to go bankrupt, our parents and grandparents, who currently receive benefits, will be cut off by the year 2002. Congress must save Medicare.

In fiscal year 1994, "federal spending for the Medicare program totaled an estimated \$162 billion or more than \$440 million per day. The Congressional Budget Office estimates that, in less than a decade, Medicare spending will more than double, exceeding \$380 billion in 2003."

General Accounting Office (GAO), High-Risk Series: Medicare Claims, February, 1995, p. 6.

June Gibbs Brown, Inspector General of the Department of Health and Human Services said, "fraud and abuse permeate all aspects of Medicare." She said up to \$17 billion, 10 percent of Medicare's budget, will be wasted because of fraud. *Congressional Quarterly, Congressional Monitor, August 1, 1995, p. 7.*

GAO reports that the Health Care Financing Administration (HCFA), responsible for administering Medicare, "is aware that flawed payment policies and abusive billing practices plague Medicare, but the exploitation of the program continues."

- Medicare has been charged rates as high as \$600 per hour for speech and occupational therapy, though therapists' salaries range from under \$20 to \$32 per hour.

- A scam involving mobile physiology labs grew into a multi-million dollar fraud, initially involving Medicare before moving on to other public and private payers, by taking advantage of Medicare's weak control over billing numbers.
- Hospitals and other health providers owed Medicare millions of dollars in mistaken payments. In the absence of HCFA guidance and monitoring, Uncle Sam failed to recover the erroneous payments.

Why is Medicare subject to such enormous waste?
The GAO report states that the program's internal controls are inadequate. Consider:

- Physicians, supply companies, or diagnostic laboratories have about three chances out of 1,000 of having Medicare audit their billing practices in any given year.
- Medicare pays more claims with less scrutiny today than at any other time over the past five years.
- In fiscal year 1993, Medicare processed almost 700 million claims about 250 million more than it processed five years earlier.

Taxpayers know that Medicare loses billions of dollars each year. In fact the 10 percent going to waste equals the 10 percent increase in Medicare spending each year. To save, strengthen, and simplify Medicare, the first step is to eliminate the fraud and abuse.

Citizens Against Government Waste, 1301 Connecticut Ave., Suite 400, Washington, DC 20036

Telephone: 202/467-5300 Fax: 202/467-4253



**CITIZENS
AGAINST
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WASTE**

MEDICARE REALITY CHECK

**The War on Waste:
Chronicles of Medicare Waste, Fraud and Abuse**

CONGRESSIONAL ALERT: Number 2

August 3, 1995

SAVE, STRENGTHEN AND SIMPLIFY MEDICARE

We all love our grandparents and parents, which makes the prospect of Medicare's possible insolvency not only troubling, but a national tragedy. Medicare's Trustees say that Medicare will go bankrupt if nothing is done to control the costs of the program. One sure way of controlling costs is to eliminate the chronic waste, fraud and abuse that is debasing the program. Congress must save Medicare.

According to June Gibbs Brown, Inspector General of the Department of Health and Human Services, fraud, waste and abuse will cost Medicare \$17 billion this year, equal to 10 percent of the system's budget. *Congressional Quarterly*, *Congressional Monitor* August 1, 1995, p. 7.

Republicans on the Senate Special Committee on Aging released a report in 1994 estimating that \$100 billion is lost each year throughout America's health-care system, through fraud and abuse. The report, Gaming the Health Care System, also claimed that over the last five years, losses from fraudulent activities totaled nearly \$418 billion throughout the public and private health-care sector.

Some of the cases of waste and fraud would make the most robust taxpayer queasy:

- A speech therapist submitted false claims to Medicare for services "rendered to patients" several days after they had died.
- A husband and wife in Michigan allegedly stole more than \$25 million from Medicare in false claims for providing incontinence supplies for nursing home patients. When auditors initiated

proceedings to review claims before paying them, the couple allegedly incorporated a new billing company in order to avoid detection auditors.

- A California medical supply company billed Medicare \$5 million for post-surgical dressings for nursing home patients who had never even had surgery. Medicare paid numerous nursing homes in several states for the surgical dressings, and the nursing homes also paid a percentage to the supply company.
- A Georgia chiropractor, his wife, and 15 former patients were ordered to pay \$3.2 million in fines after being convicted of Medicare and private insurer fraud. The couple recruited patients for their clinic by promising kickbacks of up to one third the amount that Medicare or the insurance companies reimbursed. On one day, bills were submitted for 169 patients.
- Several Michigan pharmacists obtained large supplies of expired drugs and dispensed them, at full cost to Medicare, to nursing home patients. When confronted by a technician, one of the pharmacists stated "those people are old, they'll never know the difference, and they'll be dead soon anyway."

Medicare fraud, waste and abuse affect all our families by driving up costs and restricting the availability of reliable health. It is time to save, strengthen, and simplify Medicare by eliminating the waste, fraud and abuse.

Citizens Against Government Waste, 1301 Connecticut Ave., Suite 400, Washington, DC 20036

Telephone: 202/467-5300 Fax: 202/467-4253



**CITIZENS
AGAINST
GOVERNMENT
WASTE**

MEDICARE REALITY CHECK

**The War on Waste:
Chronicles of Medicare Waste, Fraud and Abuse**

CONGRESSIONAL ALERT: Number 3

August 3, 1995

SAVE MEDICARE

Medicare spending is growing three times the rate of inflation, and according to the program's Trustees' the program will go bankrupt by the year 2003. Medicare's bankruptcy would be a tragedy for our parents and grandparents. One way to control Medicare spending is to reduce the fraud, waste and abuse, that according to the Inspector General of the Department of Health and Human Services comprises an estimated 10 percent of the program's spending. Congress must save Medicare.

In recent years, the Department of Health and Human Services' Inspector General (IG) has catalogued a horrific history of Medicare fraud that has driven up the cost of the program and brought it closer to bankruptcy.

- Twenty people were sentenced in a New Jersey and New York conspiracy which defrauded 10 hospitals through phony billing schemes, diversion of shipments, kickbacks, sale of stolen x-ray film, phony invoices, money laundering, bribery, and no-show jobs. An estimated \$10 million was defrauded from hospital funds comprised of Medicare and private insurance monies.
- The owner of an Arkansas medical equipment company was sentenced to 12 months' home detention for billing Medicare for equipment not requested or delivered. He agreed to pay the federal government \$1.5 million to settle claims against him and his company.
- A hospital in Washington, DC signed a \$2.5 million agreement to settle charges that it had counted as income and failed to return excess

Medicare payments amounting to more than \$1.6 million.

- A Pennsylvania laboratory agreed to pay \$2.4 million in settlement claims that it defrauded Medicare by manipulating doctors into ordering unnecessary tests.
- In Florida, the IG reported that five persons were sentenced for fraudulently billing Medicare \$5.2 million for oxygen concentrators, nebulizers, medications, and tests.
- Again in Florida, more than a dozen companies, set up to supply Medicare patients with liquid nutritional supplements and feeding kits, defrauded Medicare of an estimated \$20 million. The "kingpin" of the scheme fled the country, but was found in Venezuela and extradited.
- A Louisiana ambulance company agreed to pay more than \$1.8 million to settle charges of submitting false claims for transporting dialysis patients who did not qualify for Medicare coverage.

Taxpayers know that Medicare loses billions of dollars each year. In fact the 10 percent going to waste equals the 10 percent increase in Medicare spending each year. To save, strengthen, and simplify Medicare, the first step is to eliminate the fraud and abuse.

Citizens Against Government Waste, 1301 Connecticut Ave., Suite 400, Washington, DC 20036

Telephone: 202/467-5300 Fax 202/467-4253

NAM National Association
of Manufacturers

95-175

CONTACTS:

MONICA GLIVA (202) 637-3093

FOR IMMEDIATE RELEASE

JULIE CANTOR-WEINBERG (202) 637-3127

MEDICARE REQUIRES QUALITY IMPROVEMENTS TO SURVIVE, SAYS NAM

WASHINGTON, D.C., August 3, 1995 — "Without some significant restructuring, Medicare will be bankrupt and unable to pay any new claims by 2002," National Association of Manufacturers President Jerry Jasinowski today told a gathering of diverse organizations all interested in improving and preserving Medicare.

Noting that the annual growth rate for Medicare is currently 10.4 percent, Jasinowski said: "The employer community, faced with double digit health care cost increases in the 1980s, realized they had to make some drastic changes in the way they operated their health care plans. Their innovative changes have translated into much lower health care cost growth rates, with some larger companies even experiencing flat or 1 percent increases.

"The Federal Government should take a page from the business community's play book," Jasinowski told the Coalition to Save Medicare. "Some of our member companies' most successful changes include: greater emphasis on quality; use of managed care; making physicians more accountable; educating employees to make wise choices and use of services; seeking competitive bidding for their health care business; and making extensive use of wellness programs and preventive services.

"In 1994, the U.S. Government spent \$163 billion on Medicare and by 2002 they will spend \$344 billion if nothing is done," continued Jasinowski. "It's not unreasonable to believe the government can achieve an annual Medicare growth rate in the range of 5 percent by instituting some of the same changes employers have found to be so effective.

"We certainly have our work cut out for us if we are going to both balance the budget and save Medicare from bankruptcy by 2002. But we can cut the budget deficit and improve Medicare at the same time," Jasinowski said.

-NAM-

NEWS ALERT



**Coalition to Save Medicare
August 3, 1995**

For more information, contact:
Cristina Biro, Manager of Public Affairs
703-836-6200, 703-836-6080

**Statement of Greg Scandlen
Executive Director
Council for Affordable Health Insurance**

The Council for Affordable Health Insurance (CAHI) believes the best approach to solving the problems in the Medicare system is to maximize the individual's freedom of choice and to promote a robust competitive market. CAHI serves on the steering committee of the Coalition to Save Medicare because we agree with its goal: to preserve, simplify and strengthen the Medicare system.

Reforming the Medicare system is one of the greatest dilemmas facing Members of Congress today. CAHI has developed a proposal that will save the Medicare program by reducing spending. At its core are the following guiding principles.

1. **Free Market Principles.** The Medicare program should rely on free market principles and encourage regulation by market forces rather than bureaucratic controls. The program's structure should enable beneficiaries to make choices, such as using a voucher system to finance their health care.
2. **Freedom of Choice.** The program should provide the widest array of choices for consumers entering the program.
3. **Consumer Protection and Empowerment.** Medicare beneficiaries should be empowered to make the health care choices that best meet their health care needs. Adequate consumer protection mechanisms should be in place to protect Medicare beneficiaries.
4. **Level Playing Field.** Indemnity insurance carriers, managed care companies, Medicare risk contractors, Medicare supplemental insurers and other health care organizations that provide services to Medicare beneficiaries should compete on a level playing field.
5. **Sound Fiscal Policy.** Any proposal to reform Medicare must strive to reduce the rate of growth in Medicare expenditures, while sustaining both short-term and long-term solvency. Medicare should provide for reasonable provider reimbursement to eliminate cost shifting.

(MORE)

**Coalition to Save Medicare - August 3, 1995
Statement of Greg Scandlen - Page 2**

6. **State Regulation of Insurance.** The regulation of insurance should be returned to the jurisdiction of the states. Federal standardization of any insurance product, including Medicare supplement insurance, is contrary to free market principles and should be avoided.

CAHI supports all efforts to encourage policy makers to simplify and improve the Medicare system by opening it up to new options and opportunities. We will continue to work with the Coalition to Save Medicare to convince legislators the best way to save Medicare is to use market forces to reduce excessive costs and improve the quality of care available.

The Council for Affordable Health Insurance is an association of small to mid-sized insurance companies that was formed in March 1992 to fight for free market solutions to the problems in the health care system. Council members cover over four million people in the individual and small group insurance markets.

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Citizens for a Sound Economy Foundation

CSEFTalking Points

(202) 783-3870

August 3, 1995

Facts About Medicare

- If no reforms are made, Medicare Part A (Hospital Insurance) will be bankrupt in 2002.
- Traditional "fixes" such as tax increases won't work. Payroll taxes would have to more than double immediately to attain long-term financial soundness. That would mean almost \$900 in new taxes for a worker earning \$24,000 a year.
- This assumes that the "most likely" scenario for future costs is accurate. But Medicare's chief actuary says costs may exceed that estimate.
- Medicare part B is growing even faster than Part A. Over the past five years, outlays have increased 53 percent.
- Medicare trustees say that the taxpayer subsidies necessary to sustain Medicare part B will have to increase from \$38 billion today to \$147 billion in 2004 if reform does not take place.
- Rather than new taxes or simple benefit cuts, Medicare can be reformed by providing recipients more choice. Anyone enrolled in Medicare should be allowed the option to escape the government-run system and open a Medical Savings Account (MSA), or enroll in any type of alternative private plan.
- Experience in the private sector proves that giving individuals more control over their health care decisions lowers costs. Most notably, MSAs are currently used in the private sector with great success. Based on private-sector savings, an MSA option could easily reduce projected Medicare costs by the amount required under the Budget Resolution.

**HEALTHCARE
LEADERSHIP
COUNCIL**

Pamela G. Bailey

Pamela Bailey, president of the Washington, D.C. based Healthcare Leadership Council (HLC), has been involved in health care governmental relations, public policy and communications for nearly 25 years, including service in both the public and private sectors. The Healthcare Leadership Council (HLC) is a group of over 50 health care industry chief executives -- leaders from the hospital, insurance, pharmaceutical, technology, and physician/nurse sectors. The group was initiated in 1988 with the purpose of developing a health industry consensus on solutions to the problems confronting American health care.

During the early 1970's, Mrs. Bailey was a member of the White House Staff, rising from a research assistant to the President to Assistant Director of the Domestic Council.

From 1975 to 1981, she was director of government relations for the American Hospital Supply Corporation, and from 1981 to 1983, she was Assistant Secretary for Public Affairs for the Department of Health and Human Services (HHS). She joined the White House Staff again in 1983 as Special Assistant to the President and Deputy Director of the White House Office of Public Affairs. In 1987 she was named President of the National Committee for Quality Health Care.

Mrs. Bailey is one of the five founding members of the Healthcare Equity Action League (HEAL), a coalition of more than 600 major firms and organizations representing more than 1 million employers and 35 million employees. The group is united by concern over the current state of the nation's health care system and how that system can be reformed to better serve the public.

She graduated from Mount Holyoke College (A.B., 1970). She is married and has five children.

**MANHATTAN
PRIMARY CARE**

Michael J. Kramer, M.D., F.A.C.C.

Dr. Kramer is the founder and Chief Executive Officer of Manhattan Primary Care, PC, a New York City medical group of forty physicians treating about 50,000 patients, 20% of whom are seniors. The group treats seniors enrolled in the standard Medicare program and approximately 500 enrolled in managed medicare programs.

Dr. Kramer is board certified in Internal Medicine and Cardiovascular Diseases and has been practicing in Manhattan since 1989. He received his medical degree from the University of Pennsylvania and completed his Internship and Residency at Mt. Sinai Hospital in New York.

Dr. Kramer is a Fellow of the American College of Cardiology, and a Member of the American College of Physicians, American Heart Association, and the New York County Medical Society.

THOMAS A. SCHATZ

President

**Citizens Against Government Waste and
Council for Citizens Against Government Waste**

Thomas A. Schatz is President of Citizens Against Government Waste (CAGW) and the Council for Citizens Against Government Waste (CCAGW).

CAGW was founded by J. Peter Grace and Jack Anderson in 1984 following the release of the Grace Commission report. It is a 501(c) (3) nonprofit, educational organization with more than 600,000 members nationwide. Mr. Schatz is a nationally recognized spokesperson on government waste and has appeared on hundreds of radio talk shows from coast to coast, including WBZ in Boston, WGN in Chicago, KABC in Los Angeles, WCBS in New York, and WOAI in San Antonio. His national television appearances include: "ABC News with Peter Jennings," "CBS News with Dan Rather," "NBC News with Tom Brokaw," CNN, CNBC, "Larry King Live," "The McNeil-Lehrer News Hour," and numerous local network affiliates.

According to official Office of Management and Budget figures, implementation of Grace Commission recommendations saved taxpayers \$152.4 billion through 1990, and CAGW estimates another \$100 billion have been saved since then. An additional \$78 billion will be saved over the next five years from recommendations proposed by CAGW in 1993 and \$54 billion will be saved over the next five years from recommendations proposed by CAGW in 1994.

As President of CCAGW, the 501(c) (4) nonprofit lobbying organization, Mr. Schatz spearheaded the expansion of the grassroots Taxpayers Action Network to more than 400 chapters nationwide. Mr. Schatz has also testified on government waste issues before committees of the United States Senate and House of Representatives.

During his nine years with CAGW, Mr. Schatz has been instrumental in a development program that increased membership from 5,000 to more than 600,000.

Prior to joining CAGW in 1986, Mr. Schatz spent six years as legislative director for Congressman Hamilton Fish and two years practicing law and lobbying.

Mr. Schatz holds a law degree from George Washington University and was graduated from the State University of New York at Binghamton with a BA degree, With Honors, in Political Science. He is married to Leslee Behar and has two daughters, Samantha and Alexandra.

DAVID M. WALKER, CPA

David M. Walker is a Partner and Managing Director of Arthur Andersen's Global Compensation and Benefits practice based in Atlanta and Washington, DC. In this capacity, he coordinates the Firm's activities with the legislative and executive branches of the Federal Government in the compensation and benefits areas and serves clients on a variety of issues, including strategic compensation planning, retirees health benefits, employee ownership arrangements and various ERISA fiduciary, investment, funding and termination matters. Mr. Walker also coordinates the Firm's employee benefit plan audit/compliance review, ERISA enforcement/litigation support and independent fiduciary services in the United States.

Prior to joining Arthur Andersen, Mr. Walker held a variety of positions in the Federal government with the Department of Labor and the Pension Benefit Guaranty Corporation. Among other things, Mr. Walker served as Assistant Secretary of Labor for Pension and Welfare Benefit Programs and Acting Executive Director of the Pension Benefit Guaranty Corporation.

Mr. Walker is active in a number of governmental, professional, trade and other organizations. He just completed serving as one of two Public Trustees for the Social Security and Medicare Trust Funds. In addition, he is a member of the Board of Directors of the Association of Private Pension and Welfare Plans (APPWP) and is Chairman of the American Institute of Certified Public Accountants' (AICPA's) Employee Benefit Plans Committee.

Mr. Walker is a frequent speaker and author and is widely quoted in a number of publications on a variety of compensation, benefits, investment, retirement and related issues. He has also won several awards for outstanding contributions to the employee benefit plans industry and related public policy areas.

NAM National Association of Manufacturers

JERRY J. JASINOWSKI PRESIDENT NATIONAL ASSOCIATION OF MANUFACTURERS

Jerry Jasinowski is president of the National Association Manufacturers and one of the nation's most frequently quoted authorities on the economy and the vital role manufacturing plays in America.

He has addressed audiences across the country -- from The Commonwealth Club of California to the National Press Club in Washington, D.C. -- in his role as:

- an astute analyst of the impact of federal policies on business
- an economist who can assess broad trends changing the economy
- co-author of a new book on manufacturing success stories, *Making It In America: Proven Paths to Success from 50 Top Companies*
- industry's "most powerful advocate on Capitol Hill," according to *Washingtonian* magazine

Under Jasinowski's leadership, the NAM has been hailed as Washington's most influential and respected business group, helping to shape national policy on exchange rates, exports and many other major issues. As Chairman of the American Energy Alliance, he led the coalition's national grassroots movement to defeat President Clinton's energy tax plan. More recently, he helped lead NAM's key role in the defeat of the striker replacement bill, passage of the North American Free Trade Agreement and the need for affordable and workable health care reform.

Jasinowski is widely quoted in the media and has appeared on almost every major national network and public affairs program, including ABC's *Good Morning America*, NBC's *Today* and *Meet the Press*, CNN's *Crossfire* and *Moneyline*, John McLaughlin's *One on One* and the evening network news shows. His opinion editorials have run in *The New York Times*, *Chicago Tribune*, *Harvard Business Review*, and other major publications.

Jasinowski became president of the NAM in January 1990, after serving as the association's executive vice president and chief economist for ten years. The NAM is the largest broad-based industry trade association in the United States, representing more than 13,000 manufacturing firms and subsidiaries, large and small, located in every state. Its members account for 85 percent of U.S. manufacturing employment and production.

A one-time factory worker, Jasinowski joined the U.S. Air Force as intelligence officer, serving in the Far East in the mid 1960s. He went on to become assistant professor

-MORE-

JASINOWSKI BIO/Page Two

of economics at the U.S. Air Force Academy. In the early 1970's, Jasinowski came to Washington to manage research and legislative activities for the Joint Economic Committee of Congress. In 1976, he served as director of the Carter Administration's economic transition team for the departments of Treasury, Commerce, Labor, the Council of Economic Advisors and the Federal Reserve. He later was appointed assistant secretary for policy at the U.S. Department of Commerce.

A native of LaPorte, Indiana, Jasinowski received his B.A. in economics from Indiana University, his master's degree in economics from Columbia University, and is a graduate of the Harvard Business School's Advanced Management Program.

Jasinowski has three children and resides in Washington, D.C. with his wife, a public affairs specialist for The Goodyear Tire & Rubber Company.

-NAM-

JEFF SMEDSRUD
Executive Vice President
Communicating for Agriculture

Jeff Smedsrud is executive vice president of Communicating for Agriculture, a national rural advocacy group representing 80,000 farmers, ranchers and rural businesses. A Minnesota resident, Smedsrud has led the development of several private sector health plans for farmers. He has helped establish more than two dozen state programs for the medically uninsured, and was active in the formation of Minnesota's model program for rural integrated service network as a method to strengthen local health care purchasing options. He is married, with four children.

N · A · WNATIONAL ASSOCIATION OF WHOLESALER-DISTRIBUTORS
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NEWS

For Release August 3, 1995

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NAW APPLAUDS PROACTIVE EFFORTS OF COALITION TO SAVE MEDICARE

Washington, D.C., August 3, 1995 -- The National Association of Wholesaler-Distributors (NAW) today lauded the *Coalition to Save Medicare* for its proactive and constructive efforts to address the fiscal crisis in the Medicare program.

The broad-based *Coalition* is mounting an effort to support changes in Medicare to preserve and strengthen the program while slowing its rate of growth.

NAW praised the *Coalition* and its commitment to be proactive. "The rhetoric is flying fast and furious on Medicare, and it is refreshing to hear a clear, constructive voice. Unlike those who would simply demagogue the issue, the *Coalition* is supporting legitimate and responsible proposals to ensure that Medicare will still be around in the decades to come," said NAW President Dirk Van Dongen.

"This is a problem we cannot afford to ignore; nor can we afford to waste time on name-calling and partisanship. The *Coalition* is actively working to address the problem and we are pleased to be a part of it," added NAW Senior Vice President Alan M. Kranowitz.

NAW is composed of Direct Member companies and a federation of national, regional, state and local associations and their member firms which collectively total more than 45,000 companies. NAW's core mission is to advocate its members' interests on national public policy issues which affect the entire wholesale distribution industry.

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MANAGED CARE CAN DO FOR MEDICARE... WHAT IT'S ALREADY DOING FOR 135 MILLION AMERICANS.

Today, through managed care, more than 135 million Americans receive high-quality, comprehensive health care at low out-of-pocket costs.

Americans are choosing managed care because it works. Most workers who enroll in managed care could have chosen traditional fee-for-service care.

America's businesses, also know the value of managed care. We should. Traditional fee-for-service care was pricing us out of the market and jeopardizing our ability to provide good health coverage to our employees. Instead of cutting benefits and quality, we demanded something better.

We created the market for what is today called "managed care."

With managed care, we've been able to keep comprehensive coverage for our employees, improve the quality of care, and

save money. In many companies, premiums for employees in efficient private health plans are holding steady or dropping.

Medicare faces the same problems that private employers tackled years ago. Medicare costs are spiraling out of control — partly because Medicare hasn't kept up with the times by moving from traditional fee-for-service to managed care. In fact, Medicare is needing more money. Seniors enrolled in Medicare should follow the example of America's employers and demand something better.

Managed care can work for Medicare. Real Medicare reform can reduce the total expenses for millions of Senior Americans and help achieve significant savings for the nation. It's time to give Senior Americans real health care choices... just like millions of American workers have. Managed care works.

MANAGED CARE CAN DO FOR MEDICARE... WHAT IT'S ALREADY DOING FOR US.

COMPANIES

- Aetna • AlliedSignal Inc. • W.C. Bradley Co. • The BFGoodrich Company • Bethlehem Steel Corporation • Bridgestone/Firestone, Inc.
- Business Health Companies, Inc. • CBI Industries, Inc. • Caterpillar Inc. • Chevron Corporation • CIGNA Corporation • The Coastal Corporation • Columbia Gas System
- Cooper Industries, Inc. • Delta Air Lines, Inc. • The DuPont Company • Federal Express Corporation • First State Bank & Trust Co. • The Gean Company • Guardian Industries
- Hershey Foods Corporation • Kraft Foods • MassMutual • William M. Mercer, Incorporated • MetraHealth • Motorola • The Nyhart Company Inc. • Pacific Telesis Group
- Philip Morris • Pool Energy Services, Co. • Principal Financial Group • The Prudential Insurance Company of America • Purity Dairies, Inc. • Signet Bank
- Sloughugh Mervyn White & Associates • SunTrust Banks, Inc. • Tom's Foods Inc. • Vulcan Materials Company • Westinghouse Electric Corporation

ASSOCIATIONS AND COALITIONS

- American Association of Preferred Provider Organizations • American Managed Care Review Association • Association of Private Pension and Welfare Plans
- BlueCross BlueShield Association • Capital Area Health Alliance (CAHA) • Corporate Health Care Coalition • Business Health Care Action Group
- Employer Health Care Alliance - Cincinnati, OH • Florida Gulf Coast Health Coalition • Group Health Association of America • Health Care Network of Wisconsin (HCN)
- The Health Care Payers of New Jersey • Houston Health Care Purchasing Organization • Lane Health Coalition (OR) • Kansas Employer Coalition on Health
- Miami Valley Health Action Council (OH) • Minnesota Business for Health Care Market Reform • National Association of Manufacturers
- National Business Coalition on Health • National Employee Benefits Institute • Pacific Business Group on Health
- Piedmont Health Coalition, Inc. • Society of Professional Benefit Administrators • South Florida Health Coalition • Stark County (OH) Health Care Coalition, Inc.
- Texas Business Group on Health • Tri-State Health Care Coalition (IL) • Utah Health Cost Management Foundation • Western Lake Erie Employers' Coalition (OH)

Chris - this is the bootleg copy of the Repub. town mtg schedule - Louis I

have talked media, + Karon Poeltz is working up a hole strategy. Melrose

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Medicaid Regulation File

St	D	Member of Congress	Date	Town	Location	Time
AL	6	Bachus, Spencer T. III	None	None	None	None
AZ	1	Salmon, Matt	18-Aug	Chandler	Chandler Justice Court	7:00 PM
AZ	1	Salmon, Matt	19-Aug	Phoenix	Ironwood Branch Library	10:00 AM
AZ	1	Salmon, Matt	24-Aug	Phoenix	Lou Olivos Senior Center	7:00 PM
AZ	1	Salmon, Matt	28-Aug	Scottsdale	Eldorado Park	10:00 AM
AZ	4	Shadegg, John	22-Aug	TBA	TBA	TBA
AZ	4	Shadegg, John	30-Aug	TBA	TBA	TBA
AZ	5	Kolbe, Jim	12-Aug	Tucson	Christ Community Church	9:30 AM
AZ	5	Kolbe, Jim	12-Aug	Tucson	Emanuel Baptist Church	1:30 PM
AZ	5	Kolbe, Jim	13-Aug	Saddlebrook	Saddlebrook Country Club	2:00 PM
AZ	5	Kolbe, Jim	15-Aug	Gila Valley	Safford/Graham Library	10:00 AM
AZ	5	Kolbe, Jim	15-Aug	Pearce/Sunlites	Community Church of Sunlites	2:00 PM
AZ	5	Kolbe, Jim	15-Aug	Portal	Portal Rescue and Fire Bldg.	7:00 PM
AZ	5	Kolbe, Jim	15-Aug	Sierra Vista	Buena High School	7:00 PM
CA	2	Heger, Wally	7-Aug	Westland	Pioneer Hall	9:00 AM
CA	2	Heger, Wally	8-Aug	Anderson	City Council Chambers	9:30 AM
CA	2	Heger, Wally	8-Aug	Weaverville	Weaverville Elementary	2:30 PM
CA	2	Heger, Wally	9-Aug	Truckee	Truckee-Donner P.U.D.	5:00 PM
CA	2	Heger, Wally	10-Aug	Loyalton	Loyalton Social Hall	10:00 AM
CA	2	Heger, Wally	10-Aug	Quincy	Grange Hall	7:00 PM
CA	2	Heger, Wally	14-Aug	Paradise	Paradise Council Chambers	7:00 PM
CA	2	Heger, Wally	15-Aug	Dorris	Dorris City Hall	10:00 AM
CA	2	Heger, Wally	16-Aug	Alturas	Alturas City Hall	4:00 PM
CA	10	Baker, Bill	None	None	None	None
CA	11	Pombo, Richard	29-Aug	Escalon	Escalon Library	6:30 PM
CA	11	Pombo, Richard	30-Aug	Rancho Cardova	Rancho Cardova Senior Center	6:30 PM
CA	11	Pombo, Richard	31-Aug	Galt	Galt Community Center	6:30 PM
CA	23	Galleghy, Elton	None	None	None	None
CA	25	McKeon, Howard "Buck"	18-Aug	San Fernando Valley	Cal. St. University-North Ridge	7:00 PM
CA	25	McKeon, Howard "Buck"	19-Aug	Palm Dale	Hammack Center	10:00 AM
CA	25	McKeon, Howard "Buck"	19-Aug	Santa Clarita	local high school site to be scheduled	1:30 PM
CA	27	Moorhead, Carlos	None	None	None	None
CA	39	Royce, Edward	None	None	None	None
CA	46	Dornan, Robert	None	None	None	None

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CA	47	Cox, Christopher	None	None	None	None
CA	49	Bilbray, Brian	None	None	None	None
CT	5	Franks, Gary	None	None	None	None
CT	6	Johnson, Nancy	None	None	None	None
FL	7	Mica, John	None	None	None	None
FL	8	McCollum, BIN	None	None	None	None
FL	12	Canady, Charles	5-Aug	Auburndale	City Commission Chambers	10:00 AM
FL	12	Canady, Charles	7-Aug	Lakeland	Florida Southern College, Rogers Auditorium	8:30 PM
FL	12	Canady, Charles	8-Aug	Dade City	TECO Community Room	8:30 PM
FL	12	Canady, Charles	9-Aug	Bartow	County Commission Board Room	6:00 PM
FL	12	Canady, Charles	10-Aug	Haines City	Haines City Community Center	8:30 PM
FL	12	Canady, Charles	14-Aug	Arcadia	Commissioners Board Room	8:30 PM
FL	12	Canady, Charles	15-Aug	Winter Haven	City Commission Chambers	8:30 PM
FL	12	Canady, Charles	16-Aug	Valrico	Hillsborough Farm Bueau	8:00 PM
FL	12	Canady, Charles	17-Aug	Avon Park	City Commission Chambers	8:30 PM
FL	13	Miller, Dan	29-Jul	Sarasota	TBA	TBA
FL	14	Goss, Porter	None	None	None	None
GA	1	Kingston, Jack	None	None	None	None
GA	4	Linder, John	28-Aug	Conyers	Conyers Rockdale Library	10:30 AM
GA	4	Linder, John	28-Aug	Dacatur	DeKalb County Maloof Auditorium	2:00 PM
GA	4	Linder, John	29-Aug	Atlanta	Atlanta Morningside Recreation Center	7:00 PM
GA	4	Linder, John	31-Aug	Lawrenceville	Gwinnett County Justice	7:00 PM
GA	7	Barr, Bob	2-Sep	Marietta	Marietta City Hall	10:00 AM
GA	9	Deal, Nathan	29-Jul	Lula	<i>pick-up truck "Tailgate Talks" at various sites</i>	8:30 AM
GA	9	Deal, Nathan	29-Jul	Clermont	<i>pick-up truck "Tailgate Talks" at various sites</i>	10:00 AM
GA	9	Deal, Nathan	29-Jul	Murrayville	<i>pick-up truck "Tailgate Talks" at various sites</i>	11:30 AM
GA	9	Deal, Nathan	29-Jul	Gainesville	<i>pick-up truck "Tailgate Talks" at various sites</i>	1:00 PM
GA	9	Deal, Nathan	29-Jul	Oakwood	<i>pick-up truck "Tailgate Talks" at various sites</i>	2:30 PM
GA	9	Deal, Nathan	29-Jul	Flowery Branch	<i>pick-up truck "Tailgate Talks" at various sites</i>	4:00 PM
GA	9	Deal, Nathan	5-Aug	Canton	<i>pick-up truck "Tailgate Talks" at various sites</i>	10:30 AM
GA	9	Deal, Nathan	5-Aug	Fairmount	<i>pick-up truck "Tailgate Talks" at various sites</i>	3:00 PM
GA	9	Deal, Nathan	7-Aug	Celhoun	<i>pick-up truck "Tailgate Talks" at various sites</i>	12:00 PM
GA	9	Deal, Nathan	7-Aug	Nickelaville	<i>pick-up truck "Tailgate Talks" at various sites</i>	2:00 PM
GA	9	Deal, Nathan	7-Aug	Chatsworth	<i>pick-up truck "Tailgate Talks" at various sites</i>	4:00 PM
GA	9	Deal, Nathan	8-Aug	Cumming	<i>pick-up truck "Tailgate Talks" at various sites</i>	11:00 AM

GA	9	Deal, Nathan	8-Aug	Dawsonville	<i>pick-up truck "Tailgate Talks" at various sites</i>	3:00 PM
GA	9	Deal, Nathan	25-Aug	Dalton	<i>pick-up truck "Tailgate Talks" at various sites</i>	2:30 PM
GA	9	Deal, Nathan	28-Aug	Chickmauga	<i>pick-up truck "Tailgate Talks" at various sites</i>	10:00 AM
GA	9	Deal, Nathan	28-Aug	Ft. Oglethorpe	<i>pick-up truck "Tailgate Talks" at various sites</i>	11:30 AM
GA	9	Deal, Nathan	28-Aug	Tunnel Hill	<i>pick-up truck "Tailgate Talks" at various sites</i>	1:30 PM
GA	9	Deal, Nathan	28-Aug	Ringgold	<i>pick-up truck "Tailgate Talks" at various sites</i>	2:30 PM
GA	9	Deal, Nathan	28-Aug	Cornelia	<i>pick-up truck "Tailgate Talks" at various sites</i>	10:00 AM
GA	9	Deal, Nathan	28-Aug	Toccoa	<i>pick-up truck "Tailgate Talks" at various sites</i>	12:00 PM
GA	9	Deal, Nathan	28-Aug	Clarkeville	<i>pick-up truck "Tailgate Talks" at various sites</i>	3:00 PM
GA	9	Deal, Nathan	29-Aug	Blue Ridge	<i>pick-up truck "Tailgate Talks" at various sites</i>	2:00 PM
GA	9	Deal, Nathan	29-Aug	Ellijay	<i>pick-up truck "Tailgate Talks" at various sites</i>	4:00 PM
GA	9	Deal, Nathan	30-Aug	Clayton	<i>pick-up truck "Tailgate Talks" at various sites</i>	11:00 AM
GA	9	Deal, Nathan	30-Aug	Hiwassee	<i>pick-up truck "Tailgate Talks" at various sites</i>	1:30 PM
GA	9	Deal, Nathan	30-Aug	Cleveland	<i>pick-up truck "Tailgate Talks" at various sites</i>	4:00 PM
GA	10	Norwood, Charles	12-Aug	Washington	Wilkes County Courthouse, Main Courtroom	9:00 AM
GA	10	Norwood, Charles	16-Aug	Grayson	Grayson Elementary School	7:00 PM
GA	10	Norwood, Charles	17-Aug	Sugar Hill	North Gwinnett High School	7:00 PM
GA	10	Norwood, Charles	22-Aug	Madison	Morgan County High School	7:00 PM
GA	10	Norwood, Charles	26-Aug	Thomson	McDuffie County Courthouse	9:00 AM
GA	10	Norwood, Charles	26-Aug	Columbia County	Columbia County Courthouse	11:00 AM
IA	2	Nussle, Jim	None	None	None	None
IA	4	Ganske, Greg	None	None	None	None
IL	8	Crane, Phillip M.	16-Aug	?	Lake Community College	?
IL	10	Porter, John	None	None	None	None
IN	2	MacIntosh, David	21-Aug	Hope	Hope Town Hall	10:30 AM
IN	2	MacIntosh, David	21-Aug	St. Paul	St. Paul Civic Center	1:00 PM
IN	2	MacIntosh, David	21-Aug	Morristown	Morristown Town Hall	3:00 PM
IN	2	MacIntosh, David	22-Aug	Milroy	Anderson Twp. Community Bldg.	7:00 PM
IN	2	MacIntosh, David	24-Aug	Spiceland	The Fire Barn	3:00 PM
IN	2	MacIntosh, David	24-Aug	Cambridge City	Jackson Twp. Trustee Office	7:00 PM
IN	2	MacIntosh, David	26-Aug	Elwood	Birch Bayh Senior Citizen Center	10:00 AM
IN	2	MacIntosh, David	26-Aug	Alexandria	City Hall, Council Chambers	11:30 AM
IN	2	MacIntosh, David	26-Aug	Pendleton	Pendleton Community Library	2:00 PM
IN	2	MacIntosh, David	26-Aug	Muncie	Heritage Care Center	4:00 PM
IN	2	MacIntosh, David	29-Aug	Franklin	Franklin Public Library	6:30 PM

IN	2	MacIntosh, David	31-Aug	Redkey	Redkey Park	3:00 PM
IN	2	MacIntosh, David	31-Aug	Union City	Historic Union City Depot	7:00 PM
IN	4	Souder, Mark	28-Aug	Dacatur	Riverside Center, South Harvest Hall	9:00 AM
IN	4	Souder, Mark	28-Aug	Bluffton	Cylor-Nickel Clinic/Medical Center, 4th Fl. Conf. Room	11:00 AM
IN	4	Souder, Mark	28-Aug	Huntington	Huntington College	2:00 PM
IN	4	Souder, Mark	28-Aug	Columbia City	Whitlay County Historical Museum	4:00 PM
IN	4	Souder, Mark	28-Aug	Fort Wayne	St. Patrick's School Building	7:00 PM
IN	4	Souder, Mark	30-Aug	Kendallville	McCray Hospital	9:00 AM
IN	4	Souder, Mark	30-Aug	LaGrange	County Office Bldg., County Council Chambers	11:00 AM
IN	4	Souder, Mark	30-Aug	Angola	Cameron Memorial Community Hospital	1:30 PM
IN	4	Souder, Mark	30-Aug	Fort Wayne	Northrop High School, Room A20	4:00 PM
IN	4	Souder, Mark	30-Aug	Auburn	DeKalb County Office Bldg., Lower Level Meeting Room	7:00 PM
IN	6	Burton, Dan	None	None	None	None
IN	7	Myers, John	None	None	None	None
IN	8	Hostettler, John N.	29-Jul	Montgomery	Senior Citizen Center	10:30 AM
IN	8	Hostettler, John N.	29-Jul	Logansport	Municipal Building	3:00 PM
IN	8	Hostettler, John N.	31-Jul	Newburgh	Newburgh Library	7:00 PM
IN	8	Hostettler, John N.	22-Aug	Evansville	McCullough Library	2:00 PM
IN	8	Hostettler, John N.	25-Aug	Sullivan	Community Building	2:00 PM
IN	8	Hostettler, John N.	25-Aug	Bloomington	Courthouse, 3rd Floor Commissioner's Mtg. Room	7:00 PM
IN	8	Hostettler, John N.	26-Aug	Bloomington	Ivy Tech; Bldg. C, Room 210-211	10:00 AM
IN	8	Hostettler, John N.	26-Aug	Bloomfield	Bloomfield Housing Authority Social Room	1:30 PM
IN	8	Hostettler, John N.	31-Aug	Evansville	Ivy Tech, Library	7:00 PM
IN	8	Hostettler, John N.	2-Sep	Vanderburgh County	Univ. of S. Indiana; Health Pro. Center, Room HP1006	9:00 AM
KS	4	Tlahrt, Todd	8-Aug	Wichita	Spears-S. Oliver	7:30 AM
KS	4	Tlahrt, Todd	10-Aug	TBA	TBA	1:00 PM
KS	4	Tlahrt, Todd	12-Aug	Halstead	TBA	7:30 AM
KS	4	Tlahrt, Todd	15-Aug	El Dorado	TBA	8:00 PM
KS	4	Tlahrt, Todd	18-Aug	Caney	TBA	7:30 AM
KS	4	Tlahrt, Todd	22-Aug	Wellington	TBA	8:00 AM
KS	4	Tlahrt, Todd	22-Aug	Wichita	Central Christian Church	7:00 PM
KS	4	Tlahrt, Todd	24-Aug	Wichita	Wichita State University-CAC	8:00 AM
KS	4	Tlahrt, Todd	28-Aug	throughout district	Farm Day	all day
KS	4	Tlahrt, Todd	29-Aug	Winfield	TBA	7:30 AM
KS	4	Tlahrt, Todd	30-Aug	Peabody	TBA	7:30 AM

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KY	2	Lewis, Ron	None	None	None	None
KY	4	Bunning, Jim	15-Aug	Mount Olivet	Robertson County Courthouse	9:30 AM
KY	4	Bunning, Jim	16-Aug	Maysville	Mason County Courthouse	1:00 PM
KY	4	Bunning, Jim	16-Aug	Brooksville	Bracken County Courthouse	3:00 PM
KY	4	Bunning, Jim	16-Aug	Vanceburg	Lewis County Courthouse	10:00 AM
KY	4	Bunning, Jim	16-Aug	Morehead	Rowan County Courthouse	1:30 PM
KY	4	Bunning, Jim	16-Aug	Flemingsburg	Fleming County Courthouse	3:30 PM
KY	4	Bunning, Jim	17-Aug	Sandy Hook	Elliott County Courthouse	10:00 AM
KY	4	Bunning, Jim	17-Aug	Grayson	Carter County Courthouse	1:00 PM
KY	4	Bunning, Jim	17-Aug	Ashland	Federal Bldg., Room 204	6:00 PM
MD	6	Bartlett, Roscoe G.	21-Aug	TBA	TBA	TBA
MD	6	Bartlett, Roscoe G.	22-Aug	TBA	TBA	TBA
MD	6	Bartlett, Roscoe G.	23-Aug	TBA	TBA	TBA
MD	6	Bartlett, Roscoe G.	24-Aug	TBA	TBA	TBA
MD	8	Morella, Constance	None	None	None	None
MI	3	Ehlers, Vernon J.	None	None	None	None
MI	11	Knollenberg, Joe	None	None	None	None
MN	1	Gutknecht, Gil	10-Aug	Albert Lea	Southwest Junior High School	9:30 AM
MN	1	Gutknecht, Gil	10-Aug	New Richland	City Hall	1:00 PM
MN	1	Gutknecht, Gil	10-Aug	Blooming Prairie	City Center Building	3:00 PM
MN	1	Gutknecht, Gil	17-Aug	Wells	Community Center	9:30 AM
MN	1	Gutknecht, Gil	17-Aug	Mapleton	Fire Station	12:30 PM
MN	1	Gutknecht, Gil	17-Aug	North Mankato	Municipal Building	3:00 PM
MN	1	Gutknecht, Gil	24-Aug	Austin	Senior Center	3:00 PM
MN	3	Ramsted, Jim	7-Aug	Shorewood	Council Chambers	7:00 PM
MN	3	Ramsted, Jim	8-Aug	Maple Grove	Council Chambers	7:00 PM
MN	3	Ramsted, Jim	14-Aug	Bloomington	Council Chambers	7:00 PM
MN	3	Ramsted, Jim	16-Aug	Eden Prairie	TBA	7:00 PM
NC	2	Funderburk, David	None	None	None	None
NC	5	Burr, Richard M.	None	None	None	None
NC	6	Coble, Howard	5-Aug	Lexington	Davidson County Courthouse	9:00 AM
NC	6	Coble, Howard	5-Aug	Grackle Quarry	Granite Quarry Municipal Bldg.	12:00 PM
NC	8	Coble, Howard	5-Aug	Mocksville	Mocksville Town Hall	3:00 PM
NH	2	Bass, Charles F.	None	None	None	None
NJ	2	Lobiondo, Frank	None	None	None	None

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NJ	5	Roukema, Marge	None	None	None	None
NJ	7	Franks, Bob	None	None	None	None
NV	3	Vuchanovich, Barbara	None	None	None	None
NY	1	Forbes, Michael	None	None	None	None
NY	19	Kelly, Sue	29-Jul	Now Castle	Town Hall Assembly Room	8:30 AM
NY	19	Kelly, Sue	29-Jul	Putnam Valley	Town Hall Courtroom	10:30 AM
NY	19	Kelly, Sue	29-Jul	Fishkill	Town Hall Meeting Room	12:30 PM
NY	19	Kelly, Sue	29-Jul	Cornwall	Town Hall	2:30 PM
NY	19	Kelly, Sue	29-Jul	Poughkeepsie	Main Meeting Room	4:30 PM
NY	24	McHugh, John	None	None	None	None
NY	27	Walsh, James	14-Aug	Cayuga County	TBA	TBA
NY	31	Houghton, Amory	None	None	None	None
OH	4	Oxley, Michael	None	None	None	None
OH	12	Kasich, John	None	None	None	None
OH	18	Ney, Robert	None	None	None	None
OR	5	Bunn, Jim	None	None	None	None
PA	8	Greenwood, Jim	8-Aug	Quakertown	Grundy House	1:30 PM
PA	8	Greenwood, Jim	9-Aug	Bristol	Grundy Towers	1:30 PM
PA	8	Greenwood, Jim	10-Aug	Doylestown	Heritage Towers	1:30 PM
PA	8	Greenwood, Jim	10-Aug	Newtown	Council Rock High School	7:00 PM
PA	13	Fox, Jon	26-Jul	Blue Bell	Montgomery Comm. College; Science Center, Rm. 213	7:00 PM
PA	13	Fox, Jon	27-Jul	Blue Bell	Montgomery Comm. College; Science Center, Rm. 213	1:30 PM
PA	13	Fox, Jon	18-Sep	Huntingdon Valley	Huntingdon Valley Library	10:00 AM
PA	13	Fox, Jon	23-Sep	Wyndmoor	Springfield Township Free Library	10:00 AM
PA	13	Fox, Jon	30-Sep	Limerick	Limerick Fire Company	10:00 AM
PA	13	Fox, Jon	7-Oct	Hatfield	Hatfield Township Building	10:00 AM
PA	16	Walker, Robert	26-Aug	Mahlem Twp.	TBA	
PA	21	English, Phil	None	None	None	None
TN	2	Duncan, John	None	None	None	None
TX	3	Johnson, Sam	21-Aug	Dallas	St. Mark's School of Texas	7:00 PM
TX	3	Johnson, Sam	22-Aug	Plano	Plano City Hall	7:00 PM
TX	3	Johnson, Sam	24-Aug	Mesquite	Mary L. Moss Elementary School	7:00 PM
TX	6	Bryant, John	None	None	None	None
TX	8	Barton, Joe	17-Aug	Hurst	Brookside Center	6:00 PM
TX	6	Barton, Joe	19-Aug	Coppell	Coppell Town Center	10:00 AM

TX	8	Barton, Joe	19-Aug	Grand Prairie	Grand Prairie City Hall Council Chambers	12:30 PM
TX	6	Barton, Joe	21-Aug	Parker County	Weatherford City Hall Council Chambers	5:00 PM
TX	6	Barton, Joe	31-Aug	Waxahachie	Waxahachie Chamber of Commerce	5:30 PM
TX	6	Barton, Joe	31-Aug	Ennis	Ennis Chamber of Commerce	7:30 PM
TX	7	Archer, Bill	29-Aug	Houston	T.H. Rogers Education Center	7:00 PM
TX	7	Archer, Bill	30-Aug	Houston	Spring Woods Senior High	7:00 PM
TX	21	Smith, Lemar	20-Sep	Highland Lakes	T.B.A. (tentative)	T.B.A.
TX	26	Armev, Richard	7-Aug	Flower Mound	Marcus High School Auditorium	7:00 PM
TX	26	Armev, Richard	8-Aug	Frisco	Collin Co. C.C., Preston Ridge Campus, Founder's Hall	7:30 PM
TX	26	Armev, Richard	10-Aug	Carrollton	Dewitt Perry Middle School Auditorium	7:30 PM
TX	26	Armev, Richard	14-Aug	Richardson	Texas A&M Research Center Auditorium	8:00 PM
TX	26	Armev, Richard	15-Aug	Irving	MacArthur High School Auditorium	8:00 PM
TX	26	Armev, Richard	17-Aug	Justin	Northwest ISD, Continuing Education Center	8:00 PM
UT	1	Hansen, James	None	None	None	None
UT	2	Waldholtz, Enid	18-Aug	Salt Lake City	TBA	TBA
VA	6	Goodlatte, Bob	None	None	None	None
VA	7	Billey, Thomas J. Jr.	None	None	None	None
VA	10	Wolf, Frank	None	None	None	None
WA	1	White, Rick	12-Aug	Shoreline	TBA	TBA
WA	1	White, Rick	12-Aug	Mill Creek	TBA	TBA
WA	2	Metcalf, Jack	None	None	None	None
WI	1	Neumann, Mark	None	None	None	None
WI	2	Klug, Scott	None	None	None	None
WI	6	Petri, Thomas	None	None	None	None
WI	8	Roth, Toby	None	None	None	None
WI	9	Sensenbrenner, Jim	30-Jul	Grafton	Village Hall	7:00 PM
WI	9	Sensenbrenner, Jim	6-Aug	Lake Mills	Lake Mills Library	7:00 PM
WI	9	Sensenbrenner, Jim	13-Aug	Eagle	Village Hall	7:00 PM
WI	9	Sensenbrenner, Jim	20-Aug	Hartford	City Hall	7:00 PM
7/24-83 Members responded						

Medicare / Republican Proposal

Item I

Persons who are covered by Medicare Part A and who elect to enroll in Part B, will be eligible to select coverage provided by MediChoice health plans, the Medisave Option, or Employer, Union, or Association-sponsored health plans.

A greatly expanded choice of plan options will be made available to Medicare beneficiaries at time of initial eligibility and during subsequent coordinated annual open enrollment seasons, as follows.

Plan Enrollment Options At Time of Initial Entitlement to Medicare

Upon becoming eligible for Medicare benefits, beneficiaries may choose to enroll in any one of the following:

- original fee-for-service Medicare, hereinafter referred to as the fee-for-service (FFS) plan;
- a privately administered MediChoice health plan in their market area;
- a privately administered Medisave health plan; or
- an Employer-sponsored, Association-sponsored, or Union-sponsored health plan for which they are eligible.

Annual Coordinated Open Enrollment

Beneficiaries will have the opportunity to change their Medicare coverage once each year during a coordinated open enrollment period in which all qualified plans must participate, except Employer-sponsored plans.

Employer-sponsored plans would operate under continuous open enrollment procedures under which retired employees, also entitled to Medicare, could elect to continue in the Medicare-qualified Employer plan without a break in coverage.

During the annual open enrollment period, beneficiaries may elect to enroll in the FFS plan, any MediChoice health plan in their area, or any Association-sponsored plan or Union-sponsored plan for which they are eligible.

Enrollment Exceptions

Beneficiaries may elect the Employer-sponsored plan option upon retirement and if eligible for Medicare.

A beneficiary enrolled in an Employer-sponsored plan who subsequently elects to disenroll from such a plan and enter a MediChoice health plan, the FFS plan, or an Association-sponsored plan, would be precluded from reentering the Employer-sponsored plan in the future.

Beneficiaries may elect the Medisave health plan option only upon initial entitlement to Medicare.

Beneficiaries initially electing the Medisave health plan would have a 120 day cooling-off period during which the beneficiary could reverse the election and choose instead to enroll in the FFS plan, until the following open enrollment period. If a beneficiary disenrolls at any time from the Medisave option, the beneficiary is precluded from re-selecting the Medisave option in the future.

Special MediChoice Health Plan Disenrollment Conditions

Beneficiaries may petition the Secretary to disenroll from a MediChoice plan before the next open enrollment period, and return to the residual FFS plan or select a MediChoice plan, if the beneficiary can demonstrate that the plan committed any one of the following:

- violated the health plan's contract;
- misrepresented the health plan's benefits or operating procedures in marketing the plan to the beneficiary; or
- provided poor quality care to the beneficiary.

The Secretary must establish procedures that permit expedited disposition of such cases.

MediChoice Plans

Through MediChoice plans, a variety of new delivery system options (such as

preferred provider organizations and point of service products) will be made available to Medicare beneficiaries.

Health plans must apply to the Secretary for certification to participate as a MediChoice plan.

The Secretary will establish and administer mandatory certification standards for MediChoice plans in the following areas:

- marketing;
- enrollment;
- disenrollment;
- benefits (covered services, and premiums and cost-sharing requirements, if applicable);
- emergency and out-of-plan services;
- reporting/disclosure;
- delivery system standards
 - service areas
 - plan capacity
 - access to providers;
- solvency;
- grievances and appeals;
- sanctions;
- quality assurance standards, both internal and external programs (see additional provisions);

The federal certification standards relate only to plans' participation in the Medicare program and do not preempt state regulation of health plans.

- The Secretary may impose user fees on MediChoice plans to finance the

costs of the certification program.

MediChoice Advisory Group

The President shall appoint a MediChoice Advisory Group to offer to the Secretary recommendations on certification standards.

The MediChoice Advisory Group shall include members with national recognition for their expertise in the business of insurance, health care delivery, health economics, and related fields.

Quality Accreditation

Health plans must be accredited as meeting quality standards in order to participate in the MediChoice program.

The Secretary will determine the frequency of quality accreditation.

The Secretary may provide that private accreditation by an approved organization is sufficient to deem a plan as meeting the quality assurance portion of the certification standards for participation in MediChoice.

To allow accreditation by a private agency, the Secretary must ensure that the agency's accreditation standards are at least equal to the quality assurance standards established by the Secretary.

The Secretary shall establish quality assurance standards covering:

- - quality management and improvement processes;
- utilization management;
- credentialing;
- an internal grievance process;
- patient access to written and other information about the plan, its services,

providers of care, and patient rights and responsibilities;

- patient privacy; and
- medical records.

Quality Measurement

The Secretary shall establish quality measurement standards based on recommendations by a Working Group on Quality Measurement.

The Working Group shall be made up of experts in health care quality, data, and consumer reports.

The Working Group shall make recommendations to the Secretary on:

- establishing computer-based patient records, including issues regarding privacy;
- standardizing clinical data collection and transmission;
- standardizing consumer satisfaction data collection;
- appropriate uses of such data; and
- the format for informing beneficiaries regarding the quality performance of MediChoice health plans.

Financial Solvency and Capital Adequacy

The Secretary shall establish financial solvency and capital adequacy standards, based on recommendations made by the National Association of Insurance Commissioners by March 1, 1996.

Consumer Protections

All marketing materials must be approved under guidelines established by the Secretary. The Secretary shall establish "one-stop" approval procedures for any plan certified to offer benefits in more than one market.

The Secretary shall establish fair direct sales guidelines, including a prohibition against agents completing enrollment forms for beneficiaries.

Benefits

Requirements for basic and supplemental benefit offerings by MediChoice plans would be established as follows:

MediChoice plans shall offer services equivalent to Medicare covered services in the FFS plan, but with discretion on delivery approaches.

MediChoice plans may establish cost-sharing appropriate to the delivery system.

MediChoice plans cannot place limitations on inpatient hospital days that are more restrictive than the FFS plan.

Any supplemental benefits offered by MediChoice plans are optional for the beneficiaries (they may elect to get only Medicare benefits).

Beneficiaries may select supplemental coverage offered by any qualified health plan.

Beneficiaries will select their supplemental coverage during the same enrollment period as for basic Medicare benefits.

Premiums and Payment Rates

A series of rules on MediChoice plans' premium development, and the development of a market-based price will be established.

Health Plan Premium Submission Rules

Health plans must submit premiums for the plan's benefit package and information on the plan's MediChoice enrollment capacity, for each market area, to the Secretary by a date determined by the Secretary.

- The premiums submitted by the plans for Medicare benefits shall be the total premium required by the plan.
- Once submitted, health plans may not change their premiums until the next year and must collect from the beneficiary the difference between the total premium and the MediChoice rate, if the MediChoice rate is lower.

Health plans must agree to serve all beneficiaries in a market area on a "first-come, first-serve" basis, up to plan capacity (except that current enrollees have priority over new enrollees).

Market-Based MediChoice Rates

In each market area, beneficiaries in MediChoice health plans will get a uniform MediChoice rate paid on their behalf to the plan of their choice.

The MediChoice rate will be the lower of :

- the market rate; or
- the FFS proxy premium.

The market rate will equal the average of premiums submitted by plans in the market area less a percentage of the difference between the average and the lowest priced plan.

Payments to MediChoice Health Plans

The MediChoice rate will be adjusted for demographic and risk factors before payments are made to MediChoice health plans.

MediChoice Premiums and Rebates

If a beneficiary enrolls in a MediChoice plan that charges less than the MediChoice rate, the plan will rebate the difference to the beneficiary in cash, or, at the beneficiary's option, apply the difference to supplemental coverage premiums.

If a beneficiary enrolls in MediChoice plan that charges a premium in excess of the MediChoice rate in the market area, the beneficiary must pay the additional premium to the plan.

Market Areas

The Secretary shall be required to establish the geographic boundaries of Medicare market areas according to guidelines set in legislation.

Place of Residence

Each Medicare beneficiary will be assigned to a market area based on place of principal residence.

Guidelines

The Secretary shall set the market areas in a manner that:

- creates market areas that are larger than counties, or the equivalent of counties in areas that use other designations; and
- covers all areas in the United States without overlap

In general, a metropolitan statistical area (MSA) should be included in one market area.

- However, the Secretary may make exceptions to this rule to allow smaller market areas when an MSA is large, but the sub-MSA market areas shall be set in a manner that does not segregate the Medicare population by health status.

State Boundaries

In general, the Secretary shall accept market areas that build upon boundaries established by States for private health insurance purchasing cooperatives or similar insurance purposes if:

- the State boundaries do not generally violate the rule regarding metropolitan statistical areas; and
- adopting the State boundaries will not conflict with market areas for bordering

States.

State boundaries that are used to establish Medicare market areas need not be contiguous areas.

Administration

The Secretary will be required to establish and administer a coordinated open enrollment system for Medicare beneficiaries encompassing all MediChoice and Medigap choices.

Coordinated Enrollment

The Secretary will establish a process through which beneficiaries will elect their coverage at initial eligibility and at subsequent annual, coordinated open enrollment periods.

Beneficiaries will select their Medicare and supplemental plans (including any Medigap coverage), during the coordinated open enrollment period.

Default Enrollment

Beneficiaries not submitting an enrollment form will be automatically enrolled in the same plan they were enrolled in for the prior year.

New beneficiaries not submitting an enrollment form will be automatically enrolled in the FFS plan.

Contractor

The Secretary shall contract with a neutral entity in each market area to provide information to beneficiaries about their coverage options.

- In general, the Secretary shall use existing carriers and intermediaries, unless a carrier or intermediary is offering a MediChoice health plan or Medigap insurance in the market area.

Information for Beneficiaries

Each market area contractor shall publish an information booklet that is provided timely to all Medicare beneficiaries to permit enrollment choices at initial eligibility

for Medicare and for subsequent enrollment periods.

The booklet will include information regarding:

- plan availability;
- the premiums beneficiaries will pay for the various options;
- quality information, including consumer satisfaction information;
- beneficiary rights and responsibilities under the options.

Each market area contractor will also:

- maintain an 800 number for beneficiary inquiries; and
- sponsor enrollment period fairs, with salespersons providing approved marketing materials from all area MediChoice health plans.

Employment, Association, and Union-Sponsored MediChoice Plans.

Medicare beneficiaries will have new choices in which, under selected conditions they are permitted to enroll in employer-sponsored, association-sponsored, or union-sponsored health plans.

Employers may establish MediChoice health plans for former employees and their spouses.

Former employees shall be defined by the employer but may not exclude persons based on health status.

Unions may establish a MediChoice health plan for Medicare-eligible union members.

Qualified Associations may sponsor a MediChoice health plan for members, and such plans must meet the same standards as other MediChoice plans, except that they may limit enrollment to members of the Association.

In general, qualified Association plans will:

- have a primary purpose that is not the provision of MediChoice coverage;
- not discriminate among members based on health status; and
- offer MediChoice coverage to all members who are eligible for Medicare.

MediChoice Payments

MediChoice payments to Employer, Association, and Union-sponsored plans shall be on the same basis as payments to other MediChoice plans in the market area in which a beneficiary resides.

Alternatively, such plans may negotiate a federal payment rate certified by the Secretary as budget neutral relative to payments that would have been made on behalf of the Medicare enrollees.

Medisave, Catastrophic Plans

Beneficiaries will have an option of enrolling in a private, catastrophic medical expense plan, combined with a medical savings account.

Eligibility Criteria

To be eligible to elect the Medisave option, persons must:

- be eligible for Medicare based on age;
- maintain a qualified Medisave account;
- maintain qualified catastrophic medical expense coverage;
- self-insure for the deductible and pay all medical expenses from the account; and
- forego other Medicare coverage options permanently, after the close of the initial cooling-off period.

Cooling Off Period

Persons electing the Medisave option will have a 120-day cooling off period during which they may elect to switch to the FFS or a MediChoice plan.

The Secretary shall recoup any unspent cash payments or credits made to the beneficiary during the time the beneficiary elected the Medisave option.

Qualified High Deductible Coverage

The Secretary will establish guidelines for certification of qualified catastrophic medical expense plan coverage, including rating requirements.

- The \$ deductible shall be indexed to the CPI.

Medisave Payments

Medisave payments shall be made directly to the individual's Medisave account and will equal the MediChoice rate for the market area, adjusted for demographic factors.

Medicare Review Commission

A new Medicare Review Commission is established to replace ProPAC and PPRC.

Purpose

The commission will report to the House Committees on Ways and Means and Commerce, and the Senate Committee on Finance on all aspects of the Medicare program and make recommendations to the Committees for changes.

Membership

The Commission members will be appointed on the same basis as members are appointed to ProPAC under current law.

Authorization

The Commission is authorized at \$ million each year.

Required Annual Report

The Commission is required to provide a report by March 1 annually covering all aspects of the Medicare program, including analysis and recommendations.

The report should:

- assess fee-for-service payment systems (PPS and RBRVS);
- analyze the distribution of MediChoice payment rates across market areas;
- recommend adjustments in payments to MediChoice health plans for relative risks;
- recommend modifications to the MediChoice benefit package configurations;
- provide advice on improving the quality of care in MediChoice health plans; and
- provide advice on assuring access to care provided by MediChoice health plans.

Indexing Report

The Commission shall report by January 1, 1998 on recommendations regarding indexing the market area MediChoice rates.

The report shall include an analysis of moving to indexing instead of market-based pricing.

Transition Rules

- Initiation of reform options and changes to the current HMO program will require transition periods and rules.

A transition period of three years would be established during which blended payment rates would be paid to risk and cost contractors.

Cost contractors would be required to transition to risk contracts by the close of the transition period.

Item II

Diabetic Self Responsibility

Reimburse for diabetic education and care programs.

Cardiac Disease Alternative Self Responsibility

Reimburse for coronary heart disease (CHD) education and prevention programs.

Screening Improvements

Reimburse for colorectal cancer screening. Reimburse for prostate cancer screening.
Address mammography utilization issues.

Item III

Cost Sharing Under Medicare Fee-For-Service Program

Option I

A new program would be established to encourage beneficiaries to self-insure (not purchase Medigap coverage) for Medicare coinsurance liabilities. Corresponding modifications are made to current Medigap standard policies.

Beneficiaries enrolled in Part B and agreeing to self-insure for the Part B coinsurance would get:

- a reduction in Part B coinsurance from 20% to 15%; and
- annual out-of-pocket protection of \$5000 in 1996 (indexed to overall growth in Medicare expenditures).

→ Beneficiaries who continue enrollment in any type of Medigap plan covering the Part B coinsurance will pay a coinsurance rate of 25% instead of 20%. ✓

Option II

Beneficiaries who choose to enroll in any type of Medigap plan will pay a coinsurance rate of 25% instead of 20%. ✓

Prohibit Insurance for Part B Deductible

Medigap policies would be precluded from covering the Part B deductible expense.

The Part B Deductible

Increase the Part B deductible for 1996 and index annually thereafter. ✓

Extension of Part B Premium

Maintain beneficiary responsibility for the Part B premium at the current percentage (31%) of program costs (alternatively, increase it to 33% or 35%). ✓

Income-Related Reduction in Medicare Subsidy

Medicare would be income-related by imposing an additional premium to cover part of the cost of Part B which is currently subsidized by the general fund. This additional premium would be collected annually with payment accompanying the April 15th filing of income taxes. All Part B enrollees would continue to pay the otherwise applicable premium in effect for the calendar year. />

Coinsurance for Home Health

Impose a 20% coinsurance on home health services.

Coinsurance for Skilled Nursing Facility Services

Impose a 20% coinsurance for skilled nursing facility services for the first 20 days of a skilled nursing facility stay.

Coinsurance for Clinical Laboratory Services

Option I

Impose a 20% coinsurance requirement on all clinical laboratory services, or

Option II

Impose a 20% coinsurance requirement on bundled clinical laboratory services.

Item IV

Fraud and Abuse

Beneficiary Incentive Program

Specific qui tam ("whistle blower") provisions for Medicare beneficiaries.

Incentive program for beneficiaries reporting of overcharges in billing (non fraud) by providers, with beneficiaries sharing in savings.

Incentive program for beneficiaries' suggestions for improving program efficiency with beneficiaries sharing in savings.

Strengthening Legal Tools

Expand mail fraud statute to explicitly include Medicare and private health plans.

Expand mail fraud statute to include private mails (eg. FedEx).

Improving Program Efficiency

Establish advisory opinions.

Privatization of Medicare fraud screens.

Clarification of Current Provider and Contractor Penalties

Voluntary disclosure program for Medicare.

Clarify program exclusion provisions to include debarment periods for specific types of violations.

Clarify the "should have known standard".

Clarify intent standard and safe harbor concept.

Amend "one purpose test" to substantial or primary reason for referrals.

Clarify discount exception (include exception for capitated programs).

Amend formula for civil monetary penalties to assure that civil monetary penalties are appropriate.

Item V

Regulatory Relief

Repeal Medicare secondary payer data match.

Physician Self-Referral

Amend the Physician Self-Referral rules as follows:

- Moratorium on effective date;
- Repeal section on compensation arrangement;
- Eliminate the prohibition against physician's practices providing durable medical equipment and parenteral and enteral services;
- Eliminate the "site of service" restriction on in-office service;
- Amend the physician supervision requirement applicable to non-physician personnel to clarify that direct supervision is not required;
- Amend the "general supervision" requirement;
- Add a community need exception;
- Add "shared services" exception;
- Expand the prepaid exception to include state regulated and Medicaid plans;
- Expand the prepaid exception to include preferred provider organizations;
- Clarify the rural exception to include state regulated and Medicaid plans.

Clarification of Medigap Non-Duplication

Revise rules to allow coordination of benefits for long-term care, nursing home, home health, and community-based care policies.

Eliminate separate disclosure notices and require plans to outline the degree to which they may duplicate/coordinate with Medicare covered benefits.

Item VI

Medicare Sustainable Growth Adjustment

Specific growth rates in Medicare outlays for Part A and Part B would be set for each of the 7 years covered by the budget resolution.

The Secretary would estimate Medicare growth rates annually. If program spending exceeds growth rates set in law, then outlay reductions will be triggered. Growth rates for the capitated programs, MediChoice and Medisave, would be set in advance to meet the targets, so outlay reductions, if necessary, would be made only in the Medicare FFS program.

Item VII

Market Basket Update

Reduce Medicare prospective payment system hospital rate update to market basket minus [Potential range 0.5 - 2.0].

Disproportionate Share

Reduce Medicare's prospective payment system disproportionate share adjustment to hospitals by (20 - 30%).

Inpatient Capital Related Costs

Rebase Medicare's prospective payment system's federal and hospital-specific rates for capital payments.

Indirect Medical Education

Reduce payments under ~~Medicare's prospective payment system indirect medical~~ education adjustment.

Non PPS Hospitals

Rebase the long-term care hospitals cost-based payment system.

Transitional cost reduction for rehabilitation facilities (OBRA 1993 market basket reduction formula applied for years 1996, 1997, 1998).

Establish prospective payment system for rehabilitation facilities effective 10/1/1999.

Reduction in Payment for Hospital Bad Debt

Reduce payment for hospital bad debt to 50 percent.

Extension of Skilled Nursing Facility Cost Limit

Maintain savings from skilled nursing facilities cost limits included in the President's budget.

Item VIII

Process of Updating Physician Fees.

Option 1

Adopt the Physician Payment Review Commission (PPRC) recommendations to correct the many structural problems that exist with the Medicare Volume Performance Standard (MVPS).

Option 2

Repeal the MVPS and return to the Medicare Economic Index (MEI) used prior to physician payment reform for updating physician payments as a mechanism for updating physician fees.

Replace separate conversion factors for surgical, nonsurgical and primary care services with a single conversion factor.

Establish a Hospital Outpatient Prospective Payment System.

Establish a prospective payment system (PPS) for hospital outpatient department (OPDs) based on ambulatory patient groups (APGs), that would cover all hospital-based outpatient services.

Limit beneficiary coinsurance to 20 percent of the Medicare payment amount under the Outpatient PPS.

Reduce Payments to Physicians for Overhead.

Under review.

Competitive Bidding for Durable Medical Equipment

Develop a competitive bidding process for durable medical equipment contracts.

Competitive Bidding for Clinical Laboratory Services

Develop a competitive bidding process for clinical laboratory services.

Item IX

Extensions of Secondary Payer Payment Requirements.

The Medicare secondary payer proposals are extensions of provisions that are set to expire at the end of 1998 included in the President's budget. The three MSP proposals would:

- extend the data match between HCFA, IRS, and SSA to identify the primary payers for Medicare enrollees with health coverage in addition to Medicare;
- extend the provisions making Medicare the secondary payer for disabled employees with employer-based health insurance; and
- extend the provision requiring non-Medicare insurers to be primary payer for ESRD patients for 18 months before Medicare becomes the primary payer.

Improve MSP Program

Develop a mechanism to prospectively identify individuals with other coverage.

Home Health Service Extension of Cost Limits

Maintain savings home health services from OBRA 1993.

Establishment of Home Health Payment Limits

Establish a per visit payment system, subject to a 120 day (not visit) per episode cap, with home health agencies sharing in any savings if total per episode payments are less than the cap.

Create an "inlier policy" excluding short term use of home health care (such as 20 days) from the cap.

Create a "volume performance standard" methodology to reduce payment if savings from payment limit system are not achieved.