

cc to
CR
7-26
lid

file

American Hospit
50 F St., NW, Ste. 1100
Washington, DC 20001
(202) 638-1100

"FAX" COVER SHEET

To: Coral Basco

From: Herb Kuhn

Date: 7-26-93

Pages: 3

Comments: _____

July 23, 1993

President Bill Clinton
The White House
Washington, DC 20500

Dear Mr. President:

As you and your administration work with the conferees on the Omnibus Budget Reconciliation Act of 1993, an overriding question for the American public is whether the conference agreement meets your own standard of shared sacrifice in its goal of deficit reduction. Reducing the deficit is always a painful process, but older Americans, hospitals and physicians are willing to do their share if the pain is equitably distributed. In this regard, the proposed Medicare reductions are of central concern to our organizations.

Unfortunately, much of the debate around this deficit reduction package has focused on the ratio of direct spending cuts to tax increases, rather than on meeting a standard of shared sacrifice for all Americans. In fact, many Americans receive benefits through direct spending programs while others benefit from indirect spending through a myriad of tax preferences designed to promote certain economic and/or social outcomes. Regardless of which type of spending, the burden of paying for these benefits is borne by all of us as taxpayers. Ultimately, Americans will judge this package based not on whether some arbitrary ratio has been achieved but rather on whether the burden of deficit reduction is fairly distributed.

Earlier this year, you proposed \$46 billion in Medicare cuts — an unprecedented proposal. In making this proposal, you urged all Americans to share in the sacrifice needed to reduce the deficit. As you know, our organizations demonstrated that we — and our memberships — were willing to do our part. The Medicare provisions included in the House-passed bill, comparable to your proposal, would cut \$48 billion from Medicare over five years — the largest single reduction in the program's history. Unfortunately, the Senate increased the cut to \$58 billion. Reductions of this magnitude: 1) threaten beneficiary access to needed care; 2) promote increased cost-shifting to the private sector; and 3) pose barriers to the reform of our health care system. The added Medicare cuts in the Senate did not occur in order to reduce the deficit but rather to offset the loss of revenue due to the efforts by energy interests to exempt themselves from the shared sacrifice which you called for in your proposal. We are disappointed by remarks attributed to you and those of your administration supporting the higher Senate Medicare cuts.

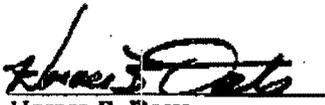
President Bill Clinton
July 23, 1993
Page 2

You have frequently noted that we cannot achieve real, long-term deficit reduction by simply continuing what we have been doing for over a decade: cutting Medicare and shifting costs to beneficiaries and the private sector. While Medicare and Medicaid costs may be driving much of the growth in our deficit in recent years, we will not make real progress against those increases until we take on the underlying system-wide problems which drive up health care costs. As you know, comprehensive reform of our health care system can accomplish this task.

Because of these concerns, our organizations strongly recommend that you urge the conferees to be guided by the House provision in establishing the level of Medicare cuts, not the Senate's.

Like most Americans, older Americans, hospitals and physicians are willing to do their part to reduce the deficit. They ask only that the burden of deficit reduction be fairly shared.

Sincerely,


Horace B. Deers
American Association
of Retired Persons


Richard Davidson
American Hospital Association


James S. Todd, M.D.
American Medical Association

TO: Marcia Hale
Patty Solis

FROM: Carol H. Rasco *CHR*

SUBJ: American Hospital Association (AHA)

DATE: July 13, 1993

file

261

JUL 27 REC'D

A reluctant Russ Harrington (administrator at Baptist Hospital in Little Rock) called me today to say he had been urged to call me to put in a plug for the AHA request to have the President or Hillary address the AHA at its annual meeting in Orlando in August which is pending before you. I say reluctant as Russ would rather not make those calls and impinge upon his close friendship with the Clintons, in particular the President. Also, Russ is very clear on the fact that I don't meddle in scheduling matters.

Russ did add that the AHA sees itself as closely aligned to the proposed Clinton plan (which is true) and they hoped the fact they are favoring the plan won't discount an appearance there.

Russ and I have now done our duty....thanks.

Carol -

*HRC will address the
AHA on 8/9 in Orlando.*

Patti

American Hospital Assoc.

American Hospital
50 F St., NW,
Washington, DC
(202) 638

Keep copy
for Carol -
then send
to Bruce.

Bruce -
Carol isn't sure if
she was to distribute
or not. This is for you
to handle as you see
appropriate. foz

"FAX" COVER

Sent 7/28/93

PR 1:25pm

✓ Logged 7/28/93

To: Carol Rasco

From: Herb Kuhn

Date: 7-26-93

Pages: 3

Comments: _____

July 23, 1993

President Bill Clinton
The White House
Washington, DC 20500

Dear Mr. President:

As you and your administration work with the conferees on the Omnibus Budget Reconciliation Act of 1993, an overriding question for the American public is whether the conference agreement meets your own standard of shared sacrifice in its goal of deficit reduction. Reducing the deficit is always a painful process, but older Americans, hospitals and physicians are willing to do their share if the pain is equitably distributed. In this regard, the proposed Medicare reductions are of central concern to our organizations.

Unfortunately, much of the debate around this deficit reduction package has focused on the ratio of direct spending cuts to tax increases, rather than on meeting a standard of shared sacrifice for all Americans. In fact, many Americans receive benefits through direct spending programs while others benefit from indirect spending through a myriad of tax preferences designed to promote certain economic and/or social outcomes. Regardless of which type of spending, the burden of paying for these benefits is borne by all of us as taxpayers. Ultimately, Americans will judge this package based not on whether some arbitrary ratio has been achieved but rather on whether the burden of deficit reduction is fairly distributed.

Earlier this year, you proposed \$46 billion in Medicare cuts -- an unprecedented proposal. In making this proposal, you urged all Americans to share in the sacrifice needed to reduce the deficit. As you know, our organizations demonstrated that we -- and our memberships -- were willing to do our part. The Medicare provisions included in the House-passed bill, comparable to your proposal, would cut \$48 billion from Medicare over five years -- the largest single reduction in the program's history. Unfortunately, the Senate increased the cut to \$58 billion. Reductions of this magnitude: 1) threaten beneficiary access to needed care; 2) promote increased cost-shifting to the private sector; and 3) pose barriers to the reform of our health care system. The added Medicare cuts in the Senate did not occur in order to reduce the deficit but rather to offset the loss of revenue due to the efforts by energy interests to exempt themselves from the shared sacrifice which you called for in your proposal. We are disappointed by remarks attributed to you and those of your administration supporting the higher Senate Medicare cuts.

President Bill Clinton

July 23, 1993

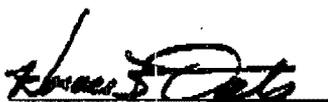
Page 2

You have frequently noted that we cannot achieve real, long-term deficit reduction by simply continuing what we have been doing for over a decade: cutting Medicare and shifting costs to beneficiaries and the private sector. While Medicare and Medicaid costs may be driving much of the growth in our deficit in recent years, we will not make real progress against those increases until we take on the underlying system-wide problems which drive up health care costs. As you know, comprehensive reform of our health care system can accomplish this task.

Because of these concerns, our organizations strongly recommend that you urge the conferees to be guided by the House provision in establishing the level of Medicare cuts, not the Senate's.

Like most Americans, older Americans, hospitals and physicians are willing to do their part to reduce the deficit. They ask only that the burden of deficit reduction be fairly shared.

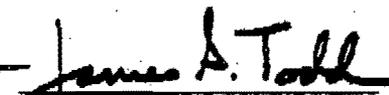
Sincerely,



Horace E. Doers
American Association
of Retired Persons



Richard Davidson
American Hospital Association



James S. Todd, M.D.
American Medical Association