

WITHDRAWAL SHEET

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DOCUMENT NO. & TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. Letter	From Carol Rasco to Christopher Frey, 1p	9/10/93	P6/B6
2. Letter	From Christopher Frey to Carol Rasco, 1p	8/31/93	P6/B6

RESTRICTIONS

- P1** National security classified information [(a)(1) of the PRA].
- P2** Relating to appointment to Federal office [(a)(2) of the PRA].
- P3** Release would violate a Federal statute [(a)(3) of the PRA].
- P4** Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P5** Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P6** Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- PRM** Personal records misfile defined in accordance with 44 USC 2201 (3).

- B1** National security classified information [(b) (1) of the FOIA].
- B2** Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- B3** Release would violate a Federal statute [(b)(3) of the FOIA].
- B4** Release would disclose trade secrets or confidential commercial financial information [(b)(4) of the FOIA].
- B6** Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- B7** Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- B8** Release would disclose information concerning the regulation of financial institutions [(b)(9) of the FOIA].
- B9** Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

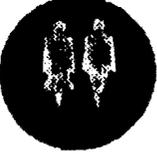
THE HEALTH SECURITY ACT BENEFITS PACKAGE

**Comprehensive Coverage For Every American
No Lifetime Limits**

- Clinical Preventive Services
- Outpatient Rehabilitation
- Family Planning Services
- Mental Health Treatment
- Substance Abuse Treatment
- Services for Pregnant Women
- Children's Dental Care
- Home Health Care
- Laboratory, Radiology, & Diagnostic Services
- Ambulance Services
- Emergency Care
- Prescription Drugs
- Doctor Visits
- Hospital Services
- Vision Care
- Hospice Care
- Surgical Services
- Extended Care Services
- Durable Medical Equipment (e.g. Prosthetic & Orthotic Devices)

Your Premium:

MONTHLY

		TODAY		REFORM	
		Range	Average	Range	Average
	Two Parent Family With Children	\$0-\$180	\$78	\$0-\$91	\$73
	Single Parent Family With Children	\$0-\$180	\$78	\$0-\$80	\$84
	Married Couple With No Children	\$0-\$180	\$78	\$0-\$80	\$84
	Single Person	\$0-\$60	\$25	\$0-\$40	\$32

No Lifetime Limit

YOUR FINANCIAL PROTECTION

TODAY

DEDUCTIBLE

The amount you pay before your insurance kicks in

Almost half of today's plans have deductibles larger than \$200 per person. They can be as high as \$3,000.

REFORM

Many plans will have no deductible. For the plans that do, deductibles will be \$200 for an individual and \$400 for a family.*

LIFETIME LIMIT

A limit on what insurance companies pay

In 60% of today's insurance policies, your insurance can run out if you get very sick.

There will be no limit on your total lifetime benefits.

*Preliminary estimates, based on 1994 numbers.

Checklist

Before deciding if a health reform plan will provide you with the health security you deserve, ask yourself:

Does it guarantee that you and your family will never lose your health insurance, no matter what? Can you change jobs or move to another state without losing your benefits?



Does it allow you to choose your own doctor?



Does it guarantee comprehensive benefits including hospital care, doctor care, and a broad range of preventive services?



Does it guarantee you and your family affordable health care?



Does it offer a prescription drug benefit for all Americans? Does it help older and disabled Americans get long term care at home and in their communities?



Does it prohibit plans from charging you more for being sick or having a sick child? Does it ban lifetime limits on your health coverage?



Does it demand less of your time filling out forms and reading fine print?



Does it take aggressive steps to get skyrocketing health costs under control?



Does it help protect small businesses from insurance company discrimination and provide discounts to make insurance more affordable?



Official White House Publications Available from NTIS

New Health Security Plan Publications

- ***President Clinton's Report to America on Health Care.***
Order by PB94-102860 at \$5.
- ***The Health Security Act.***
Order by PB94-102878 at \$45.
Includes a complimentary copy of President Clinton's six-page letter to the Honorable Thomas S. Foley and the Honorable George J. Mitchell transmitting the Health Security Act of 1993.
- To get both of the above reports with the complimentary copy of President Clinton's letter,
Order by PB94-102886 at \$50.

Other Health Security Plan Publications

- ***The President's Health Security Plan, Comprehensive Overview.***
(Note: this document is the same as *The Congressional Health Care Workshop*, September 1993.)
Order by PB93-234987 at \$10.00.
- ***The President's Health Security Plan, Preliminary Summary: Combined Press Packet and Congressional Briefing Book.***
(Note: this document is the same as the *Press Packet*, September 22, 1993 and *Briefing Book*, September 22, 1993.)
Order by PB93-234979 at \$7.50.
- ***The Economic Effects of Health Care Reform and The Cost of Falling to Reform Health Care.***
(Supporting documents to White House Health Care Press Briefing, October 6, 1993.)
Order by PB93-238863 at \$5.00.

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Oct. 28, 1993

THE WHITE HOUSE
Office of the Press Secretary
For Immediate Release
September 22, 1993

ADDRESS OF THE PRESIDENT
TO THE JOINT SESSION OF CONGRESS

U.S. Capitol
Washington, D.C.

9:10 P.M. EDT

THE PRESIDENT: Mr. Speaker, Mr. President, members of Congress, distinguished guests, my fellow Americans. Before I begin my words tonight I would like to ask that we all bow in a moment of silent prayer for the memory of those who were killed and those who have been injured in the tragic train accident in Alabama today. (A moment of silence is observed.) Amen.

My fellow Americans, tonight we come together to write a new chapter in the American story. Our forebears enshrined the American Dream -- life, liberty, the pursuit of happiness. Every generation of Americans has worked to strengthen that legacy, to make our country a place of freedom and opportunity, a place where people who work hard can rise to their full potential, a place where their children can have a better future.

From the settling of the frontier to the landing on the moon, ours has been a continuous story of challenges defined, obstacles overcome, new horizons secured. That is what makes America what it is and Americans what we are. Now we are in a time of profound change and opportunity. The end of the Cold War, the Information Age, the global economy have brought us both opportunity and hope and strife and uncertainty. Our purpose in this dynamic age must be to change -- to make change our friend and not our enemy.

To achieve that goal, we must face all our challenges with confidence, with faith, and with discipline -- whether we're reducing the deficit, creating tomorrow's jobs and training our people to fill them, converting from a high-tech defense to a high-tech domestic economy, expanding trade, reinventing government, making our streets safer, or rewarding work over idleness. All these challenges require us to change.

If Americans are to have the courage to change in a difficult time, we must first be secure in our most basic needs. Tonight I want to talk to you about the most critical thing we can do to build that security. This health care system of ours is badly broken and it is time to fix it. (Applause.)

Despite the dedication of literally millions of talented health care professionals, our health care is too uncertain and too expensive, too bureaucratic and too wasteful. It has too much fraud and too much greed.

At long last, after decades of false starts, we must make this our most urgent

priority, giving every American health security: health care that can never be taken away; health care that is always there. That is what we must do tonight. (Applause).

On this journey, as on all others of true consequence, there will be rough spots in the road and honest disagreements about how we should proceed. After all, this is a complicated issue. But every successful journey is guided by fixed stars. And if we can agree on some basic values and principles we will reach this destination, and we will reach it together.

So tonight I want to talk to you about the principles that I believe must embody our efforts to reform America's health care system -- security, simplicity, savings, choice, quality, and responsibility.

When I launched our nation on this journey to reform the health care system I knew we needed a talented navigator, someone with a rigorous mind, a steady compass, a caring heart. Luckily for me and for our nation, I didn't have to look very far. (Applause.)

Over the last eight months, Hillary and those working with her have talked to literally thousands of Americans to understand the strengths and the frailties of this system of ours. They met with over 1,100 health care organizations. They talked with doctors and nurses, pharmacists and drug company representatives, hospital administrators, insurance company executives and small and large businesses. They spoke with self-employed people. They talked with people who had insurance and people who didn't. They talked with union members and older Americans and advocates for our children. The First Lady also consulted, as all of you know, extensively with governmental leaders in both parties in the states of our nation, and especially here on Capitol Hill.

Hillary and the Task Force received and read over 700,000 letters from ordinary citizens. What they wrote and the bravery with which they told their stories is really what calls us all here tonight.

Every one of us knows someone who's worked hard and played by the rules and still been hurt by this system that just doesn't work for too many people. But I'd like to tell you about just one.

Kerry Kennedy owns a small furniture store that employs seven people in Titusville, Florida. Like most small business owners, he's poured his heart and soul, his sweat and blood into that business for years. But over the last several years, again like most small business owners, he's seen his health care premiums skyrocket, even in years when no claims were made. And last year, he painfully discovered he could no longer afford to provide coverage for all his workers because his insurance company told him that two of his workers had become high risks because of their advanced age. The problem was that those two people were his mother and father, the people who founded the business and still worked in the store.

This story speaks for millions of others. And from them we have learned a powerful truth. We have to preserve and strengthen what is right with the health care system, but we have got to fix what is wrong with it. (Applause.)

Now, we all know what's right. We're blessed with the best health care professionals on Earth, the finest health care institutions, the best medical research, the most sophisticated technology. My mother is a nurse. I grew up around hospitals. Doctors and nurses were the first professional people I ever knew or learned to look up to. They are what is right with this health care system. But we also know that we can no longer afford to continue to ignore what is wrong.

Millions of Americans are just a pink slip away from losing their health insurance, and one serious illness away from losing all their savings. Millions more are locked into the jobs they have now just because they or someone in their family has once been sick and they have what is called the preexisting condition. And on any given day, over 37 million Americans -- most of them working people and their little children -- have no health insurance at all.

And in spite of all this, our medical bills are growing at over twice the rate of inflation, and the United States spends over a third more of its income on health care than any other nation on Earth. And the gap is growing, causing many of our companies in global competition severe disadvantage. There is no excuse for this kind of system. We know other people have done better. We know people in our own country are doing better. We have no excuse. My fellow Americans, we must fix this system and it has to begin with congressional action. (Applause.)

I believe as strongly as I can say that we can reform the costliest and most wasteful system on the face of the Earth without enacting new broad-based taxes. (Applause.) I believe it because of the conversations I have had with thousands of health care professionals around the country; with people who are outside this city, but are inside experts on the way this system works and wastes money.

The proposal that I describe tonight borrows many of the principles and ideas that have been embraced in plans introduced by both Republicans and Democrats in this Congress. For the first time in this century, leaders of both political parties have joined together around the principle of providing universal, comprehensive health care. It is a magic moment and we must seize it. (Applause.)

I want to say to all of you I have been deeply moved by the spirit of this debate, by the openness of all people to new ideas and argument and information. The American people would be proud to know that earlier this week when a health care university was held for members of Congress just to try to give everybody the same amount of information, over 320 Republicans and Democrats signed up and showed up for two days just to learn the basic facts of the complicated problem before us.

Both sides are willing to say we have listened to the people. We know the cost of going forward with this system is far greater than the cost of change. Both sides, I think, understand the literal ethical imperative of doing something about the system we have now. Rising above these difficulties and our past differences to solve this problem will go a long way toward defining who we are and who we intend to be as a people in this difficult and challenging era. I believe we all understand that.

And so tonight, let me ask all of you -- every member of the House, every member of the Senate, each Republican and each Democrat -- let us keep this spirit and let us keep this commitment until this job is done. We owe it to the American people. (Applause.)

Now, if I might, I would like to review the six principles I mentioned earlier and describe how we think we can best fulfill those principles.

First and most important, security. This principle speaks to the human misery, to the costs, to the anxiety we hear about every day -- all of us -- when people talk about their problems with the present system. Security means that those who do not now have health care coverage will have it; and for those who have it, it will never be taken away. We must achieve that security as soon as possible.

Under our plan, every American would receive a health care security card that will guarantee a comprehensive package of benefits over the course of an entire lifetime, roughly comparable to the benefit package offered by most Fortune 500 companies. This health care security card will offer this package of benefits in a way that can never be taken away.

So let us agree on this: whatever else we disagree on, before this Congress finishes its work next year, you will pass and I will sign legislation to guarantee this security to every citizen of this country. (Applause.)

With this card, if you lose your job or you switch jobs, you're covered. If you leave your job to start a small business, you're covered. If you're an early retiree, you're covered. If someone in your family has, unfortunately, had an illness that qualifies as a preexisting condition, you're still covered. If you get sick or a member of your family gets sick, even if it's a life threatening illness, you're covered. And if an insurance company tries to drop you for any reason, you will still be covered, because that will be illegal. This card will give comprehensive coverage. It will cover people for hospital care, doctor visits, emergency and lab services, diagnostic services like Pap smears and mammograms and cholesterol tests, substance abuse and mental health treatment. (Applause.)

And equally important, for both health care and economic reasons, this program for the first time would provide a broad range of preventive services including regular checkups and well-baby visits. (Applause.)

Now, it's just common sense. We know -- any family doctor will tell you that people will stay healthier and long-term costs of the health system will be lower if we have comprehensive preventive services. You know how all of our mothers told us that an ounce of prevention was worth a pound of cure? Our mothers were right. (Applause.) And it's a lesson, like so many lessons from our mothers, that we have waited too long to live by. It is time to start doing it. (Applause.)

Health care security must also apply to older Americans. This is something I imagine all of us in this room feel very deeply about. The first thing I want to say about that is that we must maintain the Medicare program. It works to provide that kind of security. (Applause.) But this time and for the first time, I believe Medicare should provide coverage for the cost of prescription drugs. (Applause.)

Yes, it will cost some more in the beginning. But, again, any physician who deals with the elderly will tell you that there are thousands of elderly people in every state who are not poor enough to be on Medicaid, but just above that line and on Medicare, who desperately need medicine, who makes decisions every week between medicine and

1

food. Any doctor who deals with the elderly will tell you that there are many elderly people who don't get medicine, who get sicker and sicker and eventually go to the doctor and wind up spending more money and draining more money from the health care system than they would if they had regular treatment in the way that only adequate medicine can provide.

I also believe that over time, we should phase in long-term care for the disabled and the elderly on a comprehensive basis. (Applause.)

As we proceed with this health care reform, we cannot forget that the most rapidly growing percentage of Americans are those over 80. We cannot break faith with them. We have to do better by them.

The second principle is simplicity. Our health care system must be simpler for the patients and simpler for those who actually deliver health care -- our doctors, our nurses, our other medical professionals. Today we have more than 1,500 insurers, with hundreds and hundreds of different forms. No other nation has a system like this. These forms are time consuming for health care providers, they're expensive for health care consumers, they're exasperating for anyone who's ever tried to sit down around a table and wade through them and figure them out.

The medical care industry is literally drowning in paperwork. In recent years, the number of administrators in our hospitals has grown by four times the rate that the number of doctors has grown. A hospital ought to be a house of healing, not a monument to paperwork and bureaucracy. (Applause.)

Just a few days ago, the Vice President and I had the honor of visiting the Children's Hospital here in Washington where they do wonderful, often miraculous things for very sick children. A nurse named Debbie Freiberg told us that she was in the cancer and bone marrow unit. The other day a little boy asked her just to stay at his side during his chemotherapy. And she had to walk away from that child because she had been instructed to go to yet another class to learn how to fill out another form for something that didn't have a lick to do with the health care of the children she was helping. That is wrong, and we can stop it, and we ought to do it. (Applause.)

We met a very compelling doctor named Lillian Beard, a pediatrician, who said that she didn't get into her profession to spend hours and hours -- some doctors up to 25 hours a week just filling out forms. She told us she became a doctor to keep children well and to help save those who got sick. We can relieve people like her of this burden. We learned -- the Vice President and I did -- that in the Washington Children's Hospital alone, the administrators told us they spend \$2 million a year in one hospital filling out forms that have nothing whatever to do with keeping up with the treatment of the patients.

And the doctors there applauded when I was told and I related to them that they spend so much time filling out paperwork, that if they only had to fill out those paperwork requirements necessary to monitor the health of the children, each doctor on that one hospital staff -- 200 of them -- could see another 500 children a year. That is 10,000 children a year. I think we can save money in this system if we simplify it. And we can make the doctors and the nurses and the people that are giving their lives to help us all be healthier a whole lot happier, too, on their jobs. (Applause.)

Under our proposal there would be one standard insurance form -- not hundreds of them. We will simplify also -- and we must -- the government's rules and regulations, because they are a big part of this problem. (Applause.) This is one of those cases where the physician should heal thyself. We have to reinvent the way we relate to the health care system, along with reinventing government. A doctor should not have to check with a bureaucrat in an office thousands of miles away before ordering a simple blood test. That's not right, and we can change it. (Applause.) And doctors, nurses and consumers shouldn't have to worry about the fine print. If we have this one simple form, there won't be any fine print. People will know what it means.

The third principle is savings. Reform must produce savings in this health care system. It has to. We're spending over 14 percent of our income on health care -- Canada's at 10; nobody else is over nine. We're competing with all these people for the future. And the other major countries, they cover everybody and they cover them with services as generous as the best company policies here in this country.

Rampant medical inflation is eating away at our wages, our savings, our investment capital, our ability to create new jobs in the private sector and this public Treasury. You know the budget we just adopted had steep cuts in defense, a five-year freeze on the discretionary spending, so critical to reeducating America and investing in jobs and helping us to convert from a defense to a domestic economy. But we passed a budget which has Medicaid increases of between 16 and 11 percent a year over the next five years, and Medicare increases of between 11 and 9 percent in an environment where we assume inflation will be at 4 percent or less.

We cannot continue to do this. Our competitiveness, our whole economy, the integrity of the way the government works and, ultimately, our living standards depend upon our ability to achieve savings without harming the quality of health care.

Unless we do this, our workers will lose \$655 in income each year by the end of the decade. Small businesses will continue to face skyrocketing premiums. And a full third of small businesses now covering their employees say they will be forced to drop their insurance. Large corporations will bear vivid disadvantages in global competition. And health care costs will devour more and more and more of our budget. Pretty soon all of you or the people who succeed you will be showing up here, and writing out checks for health care and interest on the debt and worrying about whether we've got enough defense, and that will be it, unless we have the courage to achieve the saving that are plainly there before us. Every state and local government will continue to cut back on everything from education to law enforcement to pay more and more for the same health care.

These rising costs are a special nightmare for our small businesses -- the engine of our entrepreneurship and our job creation in America today. Health care premiums for small businesses are 35 percent higher than those of large corporations today. And they will keep rising at double-digit rates unless we act.

So how will we achieve these savings? Rather than looking at price control, or looking away as the price spiral continues; rather than using the heavy hand of government to try to control what's happening, or continuing to ignore what's happening, we believe there is a third way to achieve these savings. First, to give groups of consumers and small businesses the same market bargaining power that large corporations and large groups of public employees now have. We want to let market

forces enable plans to compete. We want to force these plans to compete on the basis of price and quality, not simply to allow them to continue making money by turning people away who are sick or old or performing mountains of unnecessary procedures. But we also believe we should back this system up with limits on how much plans can raise their premiums year in and year out, forcing people, again, to continue to pay more for the same health care, without regard to inflation or the rising population needs.

We want to create what has been missing in this system for too long, and what every successful nation who has dealt with this problem has already had to do: to have a combination of private market forces and a sound public policy that will support that competition, but limit the rate at which prices can exceed the rate of inflation and population growth, if the competition doesn't work, especially in the early going.

The second thing I want to say is that unless everybody is covered -- and this is a very important thing -- unless everybody is covered, we will never be able to fully put the breaks on health care inflation. Why is that? Because when people don't have any health insurance, they still get health care, but they get it when it's too late, when it's too expensive, often from the most expensive place of all, the emergency room. Usually by the time they show up, their illnesses are more severe and their mortality rates are much higher in our hospitals than those who have insurance. So they cost us more.

And what else happens? Since they get the care but they don't pay, who does pay? All the rest of us. We pay in higher hospital bills and higher insurance premiums. This cost-shifting is a major problem.

The third thing we can do to save money is simply by simplifying the system -- what we've already discussed. Freeing the health care providers from these costly and unnecessary paperwork and administrative decisions will save tens of billions of dollars. We spend twice as much as any other major country does on paperwork. We spend at least a dime on the dollar more than any other major country. That is a stunning statistic. It is something that every Republican and every Democrat ought to be able to say, we agree that we're going to squeeze this out. We cannot tolerate this. This has nothing to do with keeping people well or helping them when they're sick. We should invest the money in something else.

We also have to crack down on fraud and abuse in the system. That drains billions of dollars a year. It is a very large figure, according to every health care expert I've ever spoken with. So I believe we can achieve large savings. And that large savings can be used to cover the unemployed uninsured, and will be used for people who realize those savings in the private sector to increase their ability to invest and grow, to hire new workers or to give their workers pay raises, many of them for the first time in years.

Now, nobody has to take my word for this. You can ask Dr. Koop. He's up here with us tonight, and I thank him for being here. (Applause.) Since he left his distinguished tenure as our Surgeon General, he has spent an enormous amount of time studying our health care system, how it operates, what's right and wrong with it. He says we could spend \$200 billion every year, more than 20 percent of the total budget, without sacrificing the high quality of American medicine.

Ask the public employees in California, who have held their own premiums down by adopting the same strategy that I want every American to be able to adopt -- bargaining within the limits of a strict budget. Ask Xerox, which saved an estimated

\$1,000 per worker on their health insurance premium. Ask the staff of the Mayo Clinic, who we all agree provides some of the finest health care in the world. They are holding their cost increases to less than half the national average. Ask the people of Hawaii, the only state that covers virtually all of their citizens and has still been able to keep costs below the national average.

People may disagree over the best way to fix this system. We may all disagree about how quickly we can do what -- the thing that we have to do. But we cannot disagree that we can find tens of billions of dollars in savings in what is clearly the most costly and the most bureaucratic system in the entire world. And we have to do something about that, and we have to do it now. (Applause.)

The fourth principle is choice. Americans believe they ought to be able to choose their own health care plan and keep their own doctors. And I think all of us agree. Under any plan we pass, they ought to have that right. But today, under our broken health care system, in spite of the rhetoric of choice, the fact is that that power is slipping away for more and more Americans.

Of course, it is usually the employer, not the employee, who makes the initial choice of what health care plan the employee will be in. And if your employer offers only one plan, as nearly three-quarters of small or medium-sized firms do today, you're stuck with that plan, and the doctors that it covers.

We propose to give every American a choice among high-quality plans. You can stay with your current doctor, join a network of doctors and hospitals, or join a health maintenance organization. If you don't like your plan, every year you'll have the chance to choose a new one. The choice will be left to the American citizen, the worker -- not the boss, and certainly not some government bureaucrat.

We also believe that doctors should have a choice as to what plans they practice in. Otherwise, citizens may have their own choices limited. We want to end the discrimination that is now growing against doctors, and to permit them to practice in several different plans. Choice is important for doctors, and it is absolutely critical for our consumers. We've got to have it in whatever plan we pass. (Applause.)

The fifth principle is quality. If we reformed everything else in health care, but failed to preserve and enhance the high quality of our medical care, we will have taken a step backward, not forward. Quality is something that we simply can't leave to chance. When you board an airplane, you feel better knowing that the plane had to meet standards designed to protect your safety. And we can't ask any less of our health care system.

Our proposal will create report cards on health plans, so that consumers can choose the highest quality health care providers and reward them with their business. At the same time, our plan will track quality indicators, so that doctors can make better and smarter choices of the kind of care they provide. We have evidence that more efficient delivery of health care doesn't decrease quality. In fact, it may enhance it.

Let me just give you one example of one commonly performed procedure, the coronary bypass operation. Pennsylvania discovered that patients who were charged \$21,000 for this surgery received as good or better care as patients who were charged \$84,000 for the same procedure in the same state. High prices simply don't always equal

good quality. Our plan will guarantee that high quality information is available is available in even the most remote areas of this country so that we can have high-quality service, linking rural doctors, for example, with hospitals with high-tech urban medical centers. And our plan will ensure the quality of continuing progress on a whole range of issues by speeding the search on effective prevention and treatment measures for cancer, for AIDS, for Alzheimer's, for heart disease, and for other chronic diseases. We have to safeguard the finest medical research establishment in the entire world. And we will do that with this plan. Indeed, we will even make it better. (Applause.)

The sixth and final principle is responsibility. We need to restore a sense that we're all in this together and that we all have a responsibility to be a part of the solution. Responsibility has to start with those who profit from the current system. Responsibility means insurance companies should no longer be allowed to cast people aside when they get sick. It should apply to laboratories that submit fraudulent bills, to lawyers who abuse malpractice claims, to doctors who order unnecessary procedures. It means drug companies should no longer charge three times more per prescription drugs made in America here in the United States than they charge for the same drugs overseas. (Applause.)

In short, responsibility should apply to anybody to abuses this system and drives up the cost for honest, hard-working citizens and undermines confidence in the honest, gifted health care providers we have.

Responsibility also means changing some behaviors in this country that drive up our costs like crazy. And without changing it we'll never have the system we ought to have. We will never.

Let me just mention a few and start with the most important -- the outrageous cost of violence in this country stem in large measure from the fact that this is the only country in the world where teenagers can rout the streets at random with semi-automatic weapons and be better armed than the police. (Applause.)

But let's not kid ourselves, it's not that simple. We also have higher rates of AIDS, of smoking and excessive drinking, of teen pregnancy, of low birth weight babies. And we have the third worst immunization rate of any nation in the western hemisphere. We have to change our ways if we ever really want to be healthy as a people and have an affordable health care system. And no one can deny that. (Applause.)

But let me say this -- and I hope every American will listen, because this is not an easy thing to hear -- responsibility in our health care system isn't just about them, it's about you, it's about me, it's about each of us. Too many of us have not taken responsibility for our own health care and for our own relations to the health care system. Many of us who have had fully paid health care plans have used the system whether we needed it or not without thinking what the costs were. Many people who use this system don't pay a penny for their care even though they can afford to. I think those who don't have any health insurance should be responsible for paying a portion of their new coverage. There can't be any something for nothing, and we have to demonstrate that to people. This is not a free system. (Applause.) Even small contributions, as small as the \$10-copayment when you visit a doctor, illustrates that this is something of value. There is a cost to it. It is not free.

And I want to tell you that I believe that all of us should have insurance. Why should the rest of us pick up the tab when a guy who doesn't think he needs insurance or says he can't afford it gets in an accident, winds up in an emergency room, gets good care, and everybody else pays? Why should the small businesspeople who are struggling to keep afloat and take care of their employees have to pay to maintain this wonderful health care infrastructure for those who refuse to do anything?

If we're going to produce a better health care system for every one of us, every one of us is going to have to do our part. There cannot be any such thing as a free ride. We have to pay for it. We have to pay for it.

Tonight I want to say plainly how I think we should do that. Most of the money we will -- will come under my way of thinking, as it does today, from premiums paid by employers and individuals. That's the way it happens today. But under this health care security plan, every employer and every individual will be asked to contribute something to health care.

This concept was first conveyed to the Congress about 20 years ago by President Nixon. And today, a lot of people agree with the concept of shared responsibility between employers and employees, and that the best thing to do is to ask every employer and every employee to share that. The Chamber of Commerce has said that, and they're not in the business of hurting small business. The American Medical Association has said that.

Some call it an employer mandate, but I think it's the fairest way to achieve responsibility in the health care system. And it's the easiest for ordinary Americans to understand, because it builds on what we already have and what already works for so many Americans. It is the reform that is not only easiest to understand, but easiest to implement in a way that is fair to small business, because we can give a discount to help struggling small businesses meet the cost of covering their employees. We should require the least bureaucracy or disruption, and create the cooperation we need to make the system cost-conscious, even as we expand coverage. And we should do it in a way that does not cripple small businesses and low-wage workers.

Every employer should provide coverage, just as three-quarters do now. Those that pay are picking up the tab for those who don't today. I don't think that's right. To finance the rest of reform, we can achieve new savings, as I have outlined, in both the federal government and the private sector, through better decision-making and increased competition. And we will impose new taxes on tobacco. (Applause.)

I don't think that should be the only source of revenues. I believe we should also ask for a modest contribution from big employers who opt out of the system to make up for what those who are in the system pay for medical research, for health education center, for all the subsidies to small business, for all the things that everyone else is contributing to. But between those two things, we believe we can pay for this package of benefits and universal coverage and a subsidy program that will help small business.

These sources can cover the cost of the proposal that I have described tonight. We subjected the numbers in our proposal to the scrutiny of not only all the major agencies in government -- I know a lot of people don't trust them, but it would be interesting for the American people to know that this was the first time that the financial

Experts on health care in all of the different government agencies have ever been required to sit in the room together and agree on numbers. It had never happened before.

But, obviously, that's not enough. So then we gave these numbers to actuaries from major accounting firms and major Fortune 500 companies who have no stake in this other than to see that our efforts succeed. So I believe our numbers are good and achievable.

Now, what does this mean to an individual American citizen? Some will be asked to pay more. If you're an employer and you aren't insuring your workers at all, you'll have to pay more. But if you're a small business with fewer than 50 employees, you'll get a subsidy. If you're a firm that provides only very limited coverage, you may have to pay more. But some firms will pay the same or less for more coverage.

If you're a young, single person in your 20s and you're already insured, your rates may go up somewhat because you're going to go into a big pool with middle-aged people and older people, and we want to enable people to keep their insurance even when someone in their family gets sick. But I think that's fair because when the young get older, they will benefit from it, first, and secondly, even those who pay a little more today will benefit four, five, six, seven years from now by our bringing health care costs closer to inflation.

Over the long run, we can all win. But some will have to pay more in the short run. Nevertheless, the vast majority of the Americans watching this tonight will pay the same or less for health care coverage that will be the same or better than the coverage they have tonight. That is the central reality. (Applause.)

If you currently get your health insurance through your job, under our plan you still will. And for the first time, everybody will get to choose from among at least three plans to belong to. If you're a small business owner who wants to provide health insurance to you family and your employees, but you can't afford it because the system is stacked against you, this plan will give you a discount that will finally make insurance affordable. If you're already providing insurance, your rates may well drop because we'll help you as a small business person join thousands of others to get the same benefits big corporations get at the same price they get those benefits. If you're self-employed, you'll pay less; and you will get to deduct from your taxes 100 percent of your health care premiums. (Applause.)

If you're a large employer, your health care costs won't go up as fast, so that you will have more money to put into higher wages and new jobs and to put into the work of being competitive in this tough global economy.

Now, these, my fellow Americans, are the principles on which I think we should base our efforts: security, simplicity, savings, choice, quality and responsibility. These are the guiding stars that we should follow on our journey toward health care reform.

Over the coming months, you'll be bombarded with information from all kinds of sources. There will be some who will stoutly disagree with what I have proposed -- and with all other plans in the Congress, for that matter. And some of the arguments will be genuinely sincere and enlightening. Others may simply be scare tactics by those who are motivated by the self-interest they have in the waste the system now generates, because that waste is providing jobs, incomes and money for some people.

I ask you **only** to think of this when you hear all of these arguments: Ask yourself whether the **cost** of staying on this same course isn't greater than the cost of change. And ask yourself when you hear the arguments whether the arguments are in your interest or someone else's. This is something we have got to try to do together.

I want also to say to the representatives in Congress, you have a special duty to look beyond these arguments. I ask you instead to look into the eyes of the sick child who needs care: to think of the face of the woman who's been told not only that her condition is malignant, but not covered by her insurance. To look at the bottom lines of the businesses driven to bankruptcy by health care costs. To look at the "for sale" signs in front of the homes of families who have lost everything because of their health care costs.

I ask you to remember the kind of people I met over the last year and a half -- the elderly couple in New Hampshire that broke down and cried because of their shame at having an empty refrigerator to pay for their drugs; a woman who lost a \$50,000-job that she used to support her six children because her youngest child was so ill that she couldn't keep health insurance, and the only way to get care for the child was to get public assistance; a young couple that had a sick child and could only get insurance from one of the parents' employers that was a nonprofit corporation with 20 employees, and so they had to face the question of whether to let this poor person with a sick child go or raise the premiums of every employee in the firm by \$200. And on and on and on.

I know we have differences of opinion, but we are here tonight in a spirit that is animated by the problems of those people, and by the sheer knowledge that if we can look into our heart, we will not be able to say that the greatest nation in the history of the world is powerless to confront this crisis. (Applause.)

Our history and our heritage tell us that we can meet this challenge. Everything about America's past tells us we will do it. So I say to you, let us write that new chapter in the American story. Let us guarantee every American comprehensive health benefits that can never be taken away. (Applause.)

In spite of all the work we've done together and all the progress we've made, there's still a lot of people who say it would be an outright miracle if we passed health care reform. But my fellow Americans, in a time of change, you have to have miracles. And miracles do happen. I mean, just a few days ago we saw a simple handshake shatter decades of deadlock in the Middle East. We've seen the walls crumble in Berlin and South Africa. We see the ongoing brave struggle of the people of Russia to seize freedom and democracy.

And now, it is our turn to strike a blow for freedom in this country. The freedom of Americans to live without fear that their own nation's health care system won't be there for them when they need it. It's hard to believe that there was once a time in this century when that kind of fear gripped old age. When retirement was nearly synonymous with poverty, and older Americans died in the street. That's unthinkable today, because over a half a century ago Americans had the courage to change -- to create a Social Security system that ensures that no Americans will be forgotten in their later years.

Forty years from now, our grandchildren will also find it unthinkable that

here was a time in this country when hardworking families lost their homes, their savings, their businesses, lost everything simply because their children got sick or because they had to change jobs. Our grandchildren will find such things unthinkable tomorrow if we have the courage to change today.

This is our chance. This is our journey. And when our work is done, we will know that we have answered the call of history and met the challenge of our time.

Thank you very much. And God bless America. (Applause.)

END 10:02 P.M. EDT

FOR INTERNAL USE ONLY

FOR INTERNAL USE ONLY

**THE HEALTH SECURITY PLAN VERSUS ALTERNATIVE PLANS:
A COMPARISON**

1) The Health Security plan is the only plan that guarantees every single American a comprehensive set of benefits that can never be taken away -- without a major tax increase or a government-run system.

2) The Health Security plan makes it illegal to refuse someone insurance because of a pre-existing condition or for any other reason. The other plans still allow insurance companies to pick and choose whom they will cover.

3) Leaving aside a government-run solution, the Health Security Act is the only proposal that:

- Defines a comprehensive set of benefits. The other plans let a government commission define the benefits package. The American people have a right to know what they're getting before they decide whether to support a proposal.
- Guarantees comprehensive -- not barebones -- coverage. Other proposals tax people or employers who choose more than the lowest-cost coverage. This could mean millions of middle-class Americans losing benefits, rather than protecting what they've got.
- Ends lifetime limits. No other proposal ends lifetime limits, letting people know that their coverage will never run out. Under the Health Security Act, people will know that their health coverage will always be there when they need it.
- Ends discrimination for pre-existing conditions. The other plans say they are ending discrimination in coverage for pre-existing conditions but they do not deal with the question of cost. In other proposals, insurers will have to cover people with past health problems, but they can continue to charge any price. That will leave millions of Americans unable to get affordable health coverage because of a pre-existing condition. Under the Health Security Act, health plans cannot use how healthy people are to decide how much to charge for premiums.
- Guarantees prescription drugs for seniors. The other proposals project savings in the growth of Medicare but do not reinvest these savings in senior citizens. The Health security plan expands Medicare benefits with prescription drugs and the phase-in of long-term care, as it realizes savings in the growth in Medicare.

4) The Health Security Act achieves universal coverage in the most conservative way -- building on the existing system in which 9 out of 10 people get their insurance through their work.

The only other plans that accept universal coverage as a fundamental goal do so in a way that could seriously alter how most Americans get their health coverage. The single-payer option would shift all responsibility to the government. The Chafee plan would shift all responsibility to the individual. Either of these options would fundamentally change the current, employer-based system.

The other proposals do not achieve universal coverage. Despite their talk about "universal access," the other proposals essentially perpetuate the problems in the current system. people have "universal access" today, if they have enough money. The Cooper, Gramm, and Michel proposals do nothing to guarantee coverage to every American.

AVAILABLE MATERIALS

It is possible to obtain any of the following materials from the Government Printing Office. To place an order, please call (202) 783-3238.

Health Security: The President's Report to America (136-page book)

- Stock # 040-000-006-338
- Cost: \$5

Health Security: The President's Health Care Plan (Pamphlet)

- Stock # 040-000-006-311
- Cost: \$1

***If you are interested in reprinting either the book or pamphlet,
please contact the Government Printing Office.***

The Health Security Act of 1993

Senior Staff Information Package

November 1993

Overview

- The Health Security Act of 1993
A Summary
- Principles of reform
- How the plan works
- General Q&A
- Constituents/media packet
- The President's address to Congress
September 22, 1993
- Alternative plan comparison
- Available materials

Key Issues

- Why universal coverage is important
- Comprehensive benefits
- Choice
- What consumers pay
- What businesses pay
- Older Americans
- Paying for reform
- Savings/controlling costs
- Jobs
- Small business
- Large business
- Doctors
- Simplifying the system
- State and local governments

WHY UNIVERSAL COVERAGE IS IMPORTANT

- **We must guarantee health security -- no matter what**

Real health security means comprehensive health benefits that can never be taken away -- that is possible only with universal coverage. We need to be able to say to people who work hard and play by the rules that they will never lose their insurance. If you lose your job. If you start a small business. If you get sick. If your child gets sick. No matter what -- you're covered. It's time to give the American people freedom from the fear that they could lose their health coverage and be denied care when they or their children need it most.

- **Universal coverage is essential to controlling costs.**

Without universal coverage, too many will continue to get care from emergency rooms instead of doctors' offices -- because they couldn't afford preventive care or a doctor visit, and their illnesses became more severe. The costs end up being overly expensive in the emergency room, and each of us pays higher premiums and taxes to make up for those who don't pay. One health policy expert writes that "only with universality can we eliminate the practice of making patients with insurance pay the medical costs of those without it." In general, health policy experts agree that "cost control becomes easier when the plan is universal, not harder."

Today, some low-wage workers go on welfare just to get health benefits. Universal coverage will put an end to this practice, reducing what we spend on welfare. One study suggests that universal coverage could reduce welfare cases by up to 25 percent.

- **Universal coverage is necessary to simplify the system.**

Savings from simplifying and reducing the bureaucracy can't be realized without universal coverage. For example, a single claims form doesn't work unless everyone is in the system and following the same rules. And the simplicity and savings from a Health Security card won't happen unless everyone is guaranteed benefits that can never be taken away.

- **In a changing job market, people need security.**

With American workers changing jobs so often they'll hold an average of eight jobs in a lifetime and more and more companies using temporary or part-time workers, we need universal coverage to make sure no one will ever lose their health insurance. Even if people are without insurance for just a few months, during that time, they are an illness or injury away from financial catastrophe.

COMPREHENSIVE BENEFITS

- **All Americans will be guaranteed comprehensive benefits that can never be taken away.**

No insurance company will be able to drop people from coverage or deny them benefits when they get sick. No employer can decide to take away benefits. And no early retiree will see their benefits dropped. Americans will be guaranteed comprehensive benefits -- no matter what.

- **The comprehensive benefits package is as generous as that offered by most Fortune 500 companies.**

Every American will receive a Health Security card that will guarantee a comprehensive package of benefits as generous as those offered by most Fortune 500 companies, including hospital services, laboratory services, hospice and home care, vision care, mental health care, and other services. The executive editor of the *New England Journal of Medicine*, Dr. Marcia Angell, calls the benefits "quite comprehensive" and says that "very few private insurance plans do as much."

- **"Lifetime limits" on coverage will be illegal.**

Unlike current insurance, the plan places no lifetime limits on coverage and guarantees a full range of medically necessary or appropriate services.

- **Prescription drug coverage is included.**

All Americans will have coverage for prescription drug costs under the Health Security Act. For people under age 65, individuals will pay either \$5 per prescription or 20 percent of the cost after meeting a \$250 per year deductible, depending on the health plan. For those on Medicare, 80% of the cost will be covered after a person reaches the \$250 deductible. And annual out-of-pocket costs will be limited to \$1,000 -- everything over that will be covered.

- **Preventive care is emphasized.**

The benefits package goes beyond virtually all current insurance plans in covering preventive care. The *New York Times* says that "(a)mong the additions for many would be preventive care... Even the most generous of the Fortune 1,000 companies ... do not offer such coverage in fee-for-service insurance plans." A wide range of preventive services -- including annual physicals, well-baby care, immunizations, prenatal care, cholesterol screenings, mammograms, and Pap smears -- are covered in the comprehensive benefits package.

THE HEALTH SECURITY ACT BENEFITS PACKAGE

**Comprehensive Coverage For Every American
No Lifetime Limits**

- Clinical Preventive Services
- Outpatient Rehabilitation
- Family Planning Services
- Mental Health Treatment
- Substance Abuse Treatment
- Services for Pregnant Women
- Children's Dental Care
- Home Health Care
- Laboratory, Radiology, & Diagnostic Services
- Ambulance Services
- Emergency Care
- Prescription Drugs
- Doctor Visits
- Hospital Services
- Vision Care
- Hospice Care
- Surgical Services
- Extended Care Services
- Durable Medical Equipment (e.g. Prosthetic & Orthotic Devices)

CHOICE

- **Every American will be able to choose their doctor.**

Choice is the basis of the doctor-patient relationship, and it will be protected. The Health Security Act ensures that you will be able to follow your doctor and his or her team into any plan they might choose. Some of the nation's largest groups of providers -- including the American Nurses Association and American College of Physicians -- have said that the plan will protect people's choice of health providers.

- **Increased choice of health plans.**

Individuals will be able to choose their own health plan, not employers or insurance companies. Most people will have a choice of several different kinds of plans -- traditional fee-for-service plans, networks of doctors and hospitals, or health maintenance organizations (HMOs). And there will be at least one traditional fee-for-service plan available to everyone. One of the nation's leading doctors' groups -- the American College of Physicians -- says that "...the President's proposal increases the choices available to most Americans...(it) allows patients, not their employers, to choose their health plans and their physicians. And the legislation allows patients to stick with their plans and their physicians even through changes in employment."

- **Information to make informed choices.**

Consumers will be provided with easy-to-understand information about the quality of different health plans and whether other consumers have been satisfied. So health plans will be forced to compete on price, quality and service, and consumers will be empowered to choose high-quality plans. In addition, information about the risks and benefits of different treatments will become more available, so that patients and doctors can work together to decide on what is the appropriate treatment.

- **The plan will increase options for long-term care.**

The Health Security Act provides a new federal-state program to cover home and community-based care, a long-term care option that most people prefer, and that often costs less than a nursing home. The American Association of Retired Persons (AARP) has said "...the President's proposal will provide America's families with choices they don't have under the current system. It will provide the option to receive care where people most want to receive it, at home and in their community. People will no longer have to feel that going into a nursing home is the only choice they have."

WHAT CONSUMERS PAY

- **Premiums that are affordable.**

Today, your premiums depend on many factors beyond your control: you're being charged more if you're sick, or older, or in a small company. This will change. Under the Health Security Act, your premiums will be predictable and easy to figure out. They will vary -- as they do today -- from plan to plan and state to state, but the system will be much simpler and much fairer. Everyone will pay the same price for the same plan -- no matter whether you are sick or healthy, whether you're old or young, whether you work for a small company or a large company. Your premium only depends on your family status (single, married couple, or family with children).

- **Employers pay most of the premium.**

Employers will all contribute for their workers, covering 80% of the cost of an average-priced plan. Individual contributions will make up the difference -- if you choose an average-priced plan, you will pay 20% of the premium. If you choose a lower-priced plan, you will pay less. If you choose a higher cost plan, you will pay more. If your employer pays the entire cost of the premium -- as many do today and may continue to do after reform -- you will pay nothing at all.

- **Low co-payments and deductibles.**

Co-payments -- the amount you pay out-of-pocket when you go to a doctor - will be limited and uniform, protecting you financially and making it easier to choose among health plans. Many of the plans that will be offered require just a small payment (\$10) for each doctor's visit. Others will require a larger fee for each visit but you will never have to pay more than \$1,500 for an individual and \$3,000 for a family per year. For a wide range of preventive services, there will be no co-payments in any plan.

Deductibles -- the amount you have to pay before your insurance kicks in -- are larger than \$200 per person in almost half of today's plans and can be as high as \$3,000.

After reform, many plans will have no deductible at all. For the plans that do, deductibles will be \$200 for an individual and \$400 for a family.

- **Seven out of ten Americans will save.**

The majority of people covered through their employers -- nearly 7 out of 10 Americans -- will pay the same or less for health benefits that are the same or better -- on average, saving \$61 per month on premiums, co-payments, and deductibles. About 30% will pay more -- on average, about \$24 per month -- but those people will receive benefits that can never be taken away, and for many, better benefits.

Your Premium:

MONTHLY

TODAY

REFORM

Range

Average

Range

Average



**Two Parent
Family With
Children**

\$0-\$180

\$78

\$0-\$91

\$78



**Single Parent
Family With
Children**

\$0-\$180

\$78

\$0-\$80

\$64



**Married Couple
With No Children**

\$0-\$180

\$78

\$0-\$80

\$64



Single Person

\$0-\$60

\$25

\$0-\$40

\$32

No Lifetime Limit

YOUR FINANCIAL PROTECTION

TODAY

REFORM

DEDUCTIBLE

The amount you pay before your insurance kicks in

Almost half of today's plans have deductibles larger than \$200 per person. They can be as high as \$3,000.

Many plans will have no deductible. For the plans that do, deductibles will be \$200 for an individual and \$400 for a family.*

LIFETIME LIMIT

A limit on what insurance companies pay

In 60% of today's insurance policies, your insurance can run out if you get very sick.

There will be no limit on your total lifetime benefits.

*Preliminary estimates, based on 1994 numbers.

WHAT BUSINESSES PAY

Most of the funding for the Administration's health care reform proposals comes from the same place it does today -- premium payments by employers and individuals. The employer share is a fixed amount. Employers only need to know whether their employee is buying a single, couple, or family policy to know what they will pay.

Today, the employer for one of the workers in a family often pays to cover that workers' entire family. The President is now asking each employer to contribute, spreading cost among all employers. Under reform, no single employer will have to bear the burden of covering the entire family when both husband and wife work. Employers together will contribute 80% of the average premium for each family. Therefore, the employer pays 80% of the average premium, divided by the average number of workers per family in each alliance.

So, the employer share for families will actually be less than 80%. This will make things simpler for employers -- all they have to do is pay a fixed amount for each employee. They won't have to coordinate with other companies where their employees' spouses work, or suddenly change what they pay in the event of a spouse being laid-off.

<u>Policy Type</u>	<u>Employer Share*</u>
Two-parent family w/children	\$2,479
Single parent	\$2,479
Couple	\$2,125
Single person	\$1,546

* 1994 Preliminary Estimates. Will Vary from State to State

OLDER AMERICANS

- **The plan preserves Medicare.**

Medicare will be preserved and strengthened. You will continue to receive your Medicare coverage -- with guaranteed security. You can keep seeing the doctors you see today, and your benefits will be expanded.

- **Medicare will be expanded to include prescription drug coverage.**

The plan offers prescription drug coverage as part of Medicare -- providing desperately needed protection for older Americans. For \$11 a month, older Americans will get protection against prescription drug prices that are skyrocketing out of control. A \$1,000 annual cap will be placed on out-of-pocket prescription drug costs, with costs above this amount fully covered.

- **Early retirees will be guaranteed security.**

Under the Health Security Act, retired American workers between the age of 55 and 64 will never have to worry about losing their health insurance. Today many of these Americans are vulnerable -- dropped from their coverage and not yet eligible for Medicare. Starting in 1998, early retirees will pay no more than 20% share of the premium that they paid as employees, unless they are single and have an annual income higher than \$90,000, or a couple with income of more than \$115,000. The company can choose to pay the early retiree's share of the premium.

- **Covering home and community-based long-term care.**

The Health Security Act takes an important first step towards a comprehensive long-term care program. It will help Americans who need long-term care live independently at home and in their communities -- which most older Americans, people with disabilities, and their families and friends prefer.

- **Advocates for seniors support the President's approach.**

A spokesperson for the American Association for Retired Persons (AARP) says that the President's plan is the "best option for senior citizens," who come out "winners, partly because of benefits on prescription drugs and long-term care." The National Council of Senior Citizens "strongly supports the broad thrust" of the Clinton plan. And the National Council on the Aging "applauds" the President's approach to health care reform.

PAYING FOR REFORM

The vast majority of funding for health security will come from building on our current system and asking all employers and employees to take responsibility for paying for health coverage. But additional funding is needed to protect small businesses, provide long-term care and prescription drug coverage to older Americans, and ensure that no American ever loses their health coverage. The Health Security Act includes a cigarette tax and corporate assessment, and savings from slowing the growth of the cost of federal health care programs.

1. **Asking people who don't have insurance and companies who don't provide it to take responsibility and contribute.**

Today, nine out of ten Americans who get private health coverage get it through their employer. It's a system that works for the vast majority of Americans. That's why the President rejected any kind of broad-based tax to pay for a government-run system -- deciding instead to leave our health care system rooted in the private sector.

Today, most employers and employees contribute to the cost of health coverage, but not all do, leaving millions without insurance. But these workers still get health care when they need it -- often the most expensive kind of health care in the most expensive place: the emergency room. And the rest of us end up paying the bills -- in higher premiums, higher taxes and inflated hospital charges.

The Health Security Act asks those who aren't paying to pay their fair share, lowering costs for the vast majority of companies and individuals, who will no longer see their premiums rise to pay for those without insurance.

2. **Taxing tobacco and large corporations that form their own alliances.**

This plan has no broad-based tax, but when we're trying to encourage health in this country, increasing the tobacco tax is an appropriate way to help discourage smoking and therefore promote good health. And we're going to ask those large corporations that form their own alliances to contribute to the cost of health care for everyone.

3. **Slowing down the growth of spending for Medicare and Medicaid.**

Medicare and Medicaid will no longer have to reimburse doctors and hospitals for the cost of caring for the uninsured, saving billions of dollars per year. With all employers contributing to health care, Medicaid and Medicare will also save on workers now covered by those programs. Upper-income people will pay a larger share of their Medicare Part B premium, and there will be a crackdown on the fraud and overcharges that drive up Medicare costs. Almost every Democratic and Republican proposal recognizes that with national health care reform, we can save money in the rate of growth in Medicare and Medicaid.

SAVINGS/CONTROLLING COSTS

- **Competition will drive down prices without undermining quality.**

Health plans will be forced to compete for business on price, quality and service -- driving prices down. Xerox used this approach -- offering their employees a wide range of plans and forcing health plans to compete for their business. It worked, and Xerox has managed to hold down their growth in costs.

- **Increased buying power for consumers and small businesses will drive down prices.**

Consumers and small businesses will band together in a "health alliance" -- a kind of buyers' club that makes it possible for you to get quality goods at a discounted price. In California, a buying group like this -- known as CALPERS -- held their premium increases to 3.1%, compared to a statewide average of 13.2% in 1992.

- **Less paperwork will save money.**

The Health Security Act will require insurance companies to use a single claim form - - replacing today's hundreds of forms from more than 1,500 different insurance companies. And no longer will hospitals be forced to continue hiring four new administrators for every doctor simply to keep up with the flood of paperwork.

- **Rooting out fraud and abuse will help control costs.**

The Health Security plan will reduce the estimated \$80 billion spent on overcharges, false billing, and other fraudulent practices by making health care fraud a crime. If you get caught, the new law says that you can be thrown in jail and fined -- and any money that's been stolen can be seized by the authorities.

- **Prevention will save money in the long-run.**

Our mothers told us an ounce of prevention is worth a pound of cure -- and they were right. A decade ago, Birmingham, Alabama's health expenses were rising at twice the national average. But after the launch of a health prevention program, city officials were able to hold costs down, saving an estimated \$10.5 million over five years.

- **By eliminating "uncompensated care," we will achieve clear savings.**

Today, the government and the privately insured pay for billions of dollars in uncompensated care -- care given to uninsured patients who can't afford to pay their medical bills. With universal coverage, that cost will virtually disappear.

JOBS

- **Costs for many businesses will be lower, creating more jobs.**

Most businesses provide health care already, and we are going to lower their costs. This will make it easier to hire future workers and give wage increases to their current employees. A study from the Economic Policy Institute predicts that the plan will create more than 258,000 manufacturing jobs over the next decade. And the Employee Benefit Research Institute predicts that the President's proposal could create as many as 660,000 jobs overall.

- **Small businesses who now provide health insurance will have significantly lower costs.**

Small businesses often pay as much as 50% more than big businesses for health care. The plan will lower health care costs for these firms, giving them more money to hire future workers and pay their current employees higher wages. The Wall Street Journal called the Clinton plan "an unexpected windfall" for small business.

- **Health care jobs will be created.**

With more people receiving regular care, there will be a need for more people to provide care -- particularly nurses, family doctors and home health care workers. Joshua Weiner, an economist at the Brookings Institution, predicts that the Health Security Act will create 750,000 home health care jobs, and that overall the plan will be a job creator.

- **Job mobility will increase.**

People who are in jobs they want to leave but can't for fear of losing their benefits will be free to switch jobs or start a small business, meaning more jobs and greater productivity. And tens of thousands of people on welfare will no longer risk losing health benefits if they take work.

SMALL BUSINESS

- **The plan limits how much insurance companies can raise premiums.**

There will be a limit on how much insurance companies can raise their premiums, to prevent premiums from increasing several times the rate of inflation, as they do today. This limit -- combined with the new bargaining power that small businesses will gain from banding together with consumers in health alliances -- will mean lower prices on insurance.

- **Small businesses that now provide insurance will see their costs go down.**

Most small businesses provide insurance today -- but they pay as much as 35% more for administrative costs than big businesses for health care. By allowing small businesses and consumers to band together, the plan enables small businesses to get as good a deal as big businesses get today. Our plan will lower health care costs for these firms, giving them more money to hire future workers and pay their current employees higher wages. The *Wall Street Journal* called the Clinton plan "an unexpected windfall" for small business.

- **Discounts for low-wage small businesses will be provided.**

Firms with less than 75 employees will be eligible for discounts on the price of insurance, depending on their average wage. Contributions for health coverage will amount to approximately a dollar a day for the small employer whose average worker earns minimum wage.

- **Workers compensation will be reformed.**

Injured workers will obtain treatment through their health plans, just as they would for other injuries or illnesses. This will stop duplication, help workers get back to work quickly, and reduce costs for employers. Workers compensation insurers will continue to provide coverage and reimburse the worker's health plan.

- **Insurance industry abuses of small businesses will end.**

The Health Security Act makes it illegal for health plans to raise premiums if an employee gets sick. Illegal to drop a company from coverage if one of their employees -- or one of their employees' children -- gets sick. Illegal to refuse to cover any person or any business for any reason.

LARGE BUSINESS

- **Businesses will pay less, as the "cost-shifting" of paying for the uninsured is eliminated.**

By asking all employers and individuals to contribute to coverage, the burden of "cost shifting" will be lifted from the businesses who cover their employees today. No longer will these businesses bear the costs of other businesses and their employees -- through higher premiums and higher taxes to pay for people without coverage, or by covering spouses working for other businesses.

- **The plan puts limits on the cost of insurance to businesses.**

First, the plan limits how much insurance companies can raise premiums year to year -- making costs predictable and preventing them from spiraling out of control. And second, under the Health Security Act, no firm will ever pay more than 7.9 percent of their payroll for health insurance. This will mean that businesses will be more competitive and be able to create more jobs.

- **Early retirees will be covered.**

The Health Security Act reduces the burden of early retiree health care costs by supporting the employer's share of early retiree premiums. This will help companies who are struggling with difficult choices but don't want to take away benefits from their longtime workers.

- **Top economists say that health reform will be a boon for business.**

Henry Aaron, a health economist at the Brookings Institute, says that "(s)uccessful implementation of health care reform is one of the best pieces of news American business could receive."

- **CEOs of the largest companies say that it will help competitiveness:**

In an October 11 letter to the New York Times, ten top CEOs -- from companies like Bethlehem Steel, Chrysler and Sara Lee -- praised the plan's effect on business competitiveness. They said: "We believe there is much in the plan that is good for American competitiveness. Providing universal coverage will stop the cost shifting that has hurt the private sector in recent years. Having a standardized benefits package and a single insurance form could dramatically lower business costs. And taking the responsibility for a more equitable distribution of the costs of retiree health care will help American business to be more competitive."

DOCTORS

- **The doctor-patient relationship will be strengthened.**

The plan will make it easier for patients and doctors to stay together. No longer will employers be able to restrict employees' choice of plans -- sometimes forcing patients to leave their doctor. One of the nation's leading doctors groups -- the American College of Physicians -- says that the plan "strengthens, not weakens, the doctor-patient relationship" and provides the "best hope of ending inappropriate intrusion into the physician-patient relationship."

- **Paperwork will be reduced and simplified.**

A single claim form will replace the hundreds of forms that exist today. Electronic billing will further reduce costs and frustration for doctors. And with the introduction of a standard, comprehensive benefits package, doctors will no longer have to haggle with insurance companies over whether services are covered. Simplifying the system will give physicians the opportunity they deserve to spend more time with their patients.

- **Doctors will choose what plans to join.**

Doctors will be able to choose what health plans they want to join, and doctors can join several plans if they so choose. Uniform, comprehensive coverage, a single claim form, and standard rules for reimbursement will ease the burden on those providers who participate in more than one health plan. Physicians can also choose not to join any plan and remain in a fee-for-service private practice.

- **Malpractice laws will be reformed.**

The plan will develop alternative approaches to resolving patients' claims against providers. Patients who claim malpractice-related injuries will be required to submit their claims to an out-of-court panel to resolve the dispute before pursuing the case in court. The plan will also limit attorneys' fees to one-third of an award and permits states to impose even lower limits.

- **Government regulations will be streamlined.**

The Health Security plan will streamline quality assurance procedures. For example, the Clinical Laboratories Improvement Act (CLIA) regulations will be refocused to stress protection of quality. And process standards for licensing health care institutions will be replaced by an emphasis on an institution's overall performance.

SIMPLIFYING THE SYSTEM

- **All insurers will be required to use a single claim form.**

There will be a single claim form for all insurance companies to use. You won't be forced to fill out form after form when you go to the doctor. You won't have to pore over fine print. Fill out one simple form -- and you're done.

- **A Health Security card will reduce paperwork.**

When you go to the doctor, you hand over a plastic card -- much like a credit card. But it's a Health Security card that guarantees you comprehensive benefits -- making life easier for you, the doctor, and the hospital. It will cut down on paperwork and make billing less complicated.

- **Consumers will see a "surprisingly simple" world.**

The Washington Post says that "(f)or all the mind-blurring, quasi-technical talk swirling around President Clinton's health care proposal, from the consumer's point of view it would create a surprisingly simple world." A single claim form. A Health Security card. Easy-to-understand information comparing health plans. And no more insurance company fine print.

- **Doctors and nurses will be able to spend less time at the file cabinet and more time at the bedside.**

The introduction of a standard, comprehensive benefits package will free providers from haggling with insurance companies over what's covered. A single, claims form will mean less time dealing with paper. And a Health Security card and electronic billing will mean less wasted money on paperwork. All these things add up to less time filling out forms and more time caring for patients, which is why the American Nurses Association applauded the plan's approach to "paperwork reduction."

STATE AND LOCAL GOVERNMENTS

- **The plan affords unprecedented flexibility for states.**

States will have the flexibility to design the health care system that best reflects their needs within a federal framework. Federal statutes that have stood in the way of state experimentation, such as ERISA, will be modified to enhance state flexibility. States can even choose a single payer to serve a region of their state, or a single payer plan for the entire state.

- **The plan will reduce the burden on state and local budgets.**

States will benefit from the overall slowing of the rate of growth in health care spending. State spending for Medicaid has increased from 10% in fiscal 1987 to 17% in fiscal 1990. States will realize immediate Medicaid savings from setting per capita payments on behalf of AFDC and SSI recipients at 95% of the current fee for service levels. Instead of growing at Medicaid's recent 18% annual growth rate, what states pay will be limited as the overall rate of growth is slowed.

- **New federal support will lower state Medicaid expenditures.**

A new community-based long-term care program for the elderly and disabled will replace some care now covered by states under Medicaid. The federal government will guarantee wrap-around benefits for services not covered in the national benefits package for children currently eligible for Medicaid. And the new Medicare prescription drug benefit will reduce state Medicaid spending on prescription drugs for low-income elderly residents.

- **Uncompensated care within public health programs will be reduced.**

With universal coverage, virtually all care will be compensated, saving states money. Federal grants will help states provide special assistance to rural and underserved areas, and as a result, states will be able to strengthen and improve essential public health efforts. State and local governments will receive some help in compensating for emergency care given to undocumented residents.

- **State employee health programs will be protected.**

Guaranteeing coverage for early retirees will produce large savings for state employee health benefit programs and state budgets. Starting in 2002, there will be a 7.9% cap on the cost for covering state employees, based on the state's total payroll costs.

~~DPC Prog. Staff~~
HAM

EXECUTIVE OFFICE OF THE PRESIDENT

18-Oct-1993 08:45pm

TO: (See Below)

FROM: Jeffrey L. Eller
Office of Media Affairs

SUBJECT: Health Care Talking Points 10/19

The White House
Health Care Reform Today
October 19, 1993

* It is important to show the contrasts between the President's Health Security Act and the other plans that are in the public debate...particularly with regard to women's health issues.

* No other health care plan being debated offers this level of benefits for women.

* The President's Health Security Act addresses women's health care specifically and comprehensively, guaranteeing coverage to all women, regardless of health status, marital status, employment status, or ability to pay. Specifically, the Health Security Plan will cover a schedule of preventive screenings, tests and checkups at no cost, protection available in only a few of today's insurance policies.

* Women of any age can receive clinical services, including clinical breast exams, and mammograms at any time when they are medically necessary or appropriate with cost sharing as specified by their plan.

* Women of any age who are defined to be at risk of breast cancer by the National Health Board will receive additional visits, including clinical breast exams and mammograms, at a schedule appropriate to their risk status with no cost sharing.

* Again, no other health care plan being debated parallels this level of benefits for women.

* The President said yesterday: "When it comes to health care research and delivery, women can no longer be treated as second-class citizens." The Health Security Act assures that women's health concerns take center stage.

Health Care Reform Today * The White House*
202-456-2566 * Fax: 202-456-2362

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EXECUTIVE OFFICE OF THE PRESIDENT

18-Oct-1993 04:45pm

TO: (See Below)
FROM: Jonathan P. Gill
Office of Media Affairs
SUBJECT: NAFTA Notes 1993-10-18

The White House

NAFTA NOTES

Monday, October 18, 1993

President Argues for NAFTA in Radio Address

* In his weekly Saturday radio address, President Clinton took his case in support of NAFTA directly to the American people, telling them that the pact will create new American jobs, and help keep existing jobs in the U.S. "[U]nder NAFTA more jobs will stay at home here in America, and more American exports will head to Mexico," the President told the nation. "NAFTA means exports and exports mean jobs."

* "With NAFTA," the President argued, "our products will have easier access to Canada and the second fastest growing market in the entire world: Latin America. Without NAFTA, one of our best markets, Mexico, could turn to Japan and Europe to make a sweetheart deal for trade. With NAFTA, we'll be creating the biggest trading block in the world right at our doorstep and led by the United States. Without NAFTA, Mexico could well become an export platform allowing more products from Japan and Europe into America."

* The President reiterated that NAFTA is supported by every living former President, most of the nation's governors, and leaders in both parties, "[a]nd yet, I know many Americans are worried about the agreement," the President said. The President addressed many of American's fears about NAFTA and concluded: "I believe with all my heart the fears stirred up over NAFTA flow from the pounding the middle class took over the past decade and a half, not from NAFTA itself. But I have to tell you, as your President, I could not be for this trade agreement unless I believed strongly that we needed it to ensure the economic

security of our hard-working middle class families."

NAFTA Jobs and Products Day

* This Wednesday morning, the President will join members of Congress on the South Lawn of the White House to review many of American-made products which make up America's \$5.6 billion trade surplus with Mexico. Hundreds of products from nearly 200 companies will be displayed by the workers who produce them.

USTR Kantor, Mayor of San Diego Advocate NAFTA on Brinkley Show

* Discussing NAFTA on ABC's This Week with David Brinkley, USTR Mickey Kantor and San Diego Mayor Susan Golding promoted the agreement's job-creating benefits, especially for the U.S. automobile industry. Responding to Flint Mayor Woodrow Stanley who stated "I just don't think the case has been made" for NAFTA, Golding said: "The president of Chrysler has said very clearly that if NAFTA had existed, he would not have had to produce his new car, Neon, in Mexico. The reason he is in Mexico is because he cannot sell to Mexico unless he produces in Mexico. When NAFTA passes, he can produce in the United States and sell to Mexico."

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EXECUTIVE OFFICE OF THE PRESIDENT

26-Sep-1993 03:55pm

TO: (See Below)

FROM: Jeffrey L. Eller
Office of Media Affairs

SUBJECT: health Care Talking Points 9/27

The White House
Health Care Reform Today
September 27, 1993

* This week, the White House will continue to talk about the Health Security Act of 1993 with First Lady Hillary Rodham Clinton testifying on Capitol Hill. Following are talking points on details of the Act that you can use throughout this week:

* Emphasizes preventive care. The Health Security plan puts a new emphasis on preventing illness before it becomes a medical crisis. Prevention will improve the quality of care by helping people stay healthy rather than treating them after they get sick. The benefits package fully pays for a wide range of preventive services; the vast majority of today's insurance plans don't cover a penny.

* Gives consumers the power to judge the quality of care. Consumers will receive quality "report cards" that provide information on the performance of health care plans and patient satisfaction. These report cards will hold health plans accountable for meeting high standards. The National Quality Program will help states share information on health plan performance.

* Reforms malpractice. The President's proposal will limit lawyers' fees in order to discourage frivolous medical malpractice lawsuits. It will also encourage patients and doctors to use alternative forms of dispute resolution before they end up in court. This will help eliminate the "defensive medicine" that drives up costs and hurts

quality -- doctors ordering extra tests because they fear lawyers looking over their shoulders.

* Encourages cooperation in rural and urban areas. Rural residents will have access to the latest technology and emergency services through telecommunications links set up between local doctors and advanced networks of specialists and hospitals. In urban areas, the plan will increase investment in public hospitals and community health centers. The [E1]health security plan will give financial breaks to doctors and nurses who work in underserved rural and urban areas. It will expand the National Health Service Corps. Two of three rural counties today do not have enough doctors and 111 rural counties have no physician *at all.*

XC: DPC Program
Staff

EXECUTIVE OFFICE OF THE PRESIDE

27-Sep-1993 08:40pm

TO: (See Below)

FROM: Jeffrey L. Eller
Office of Media Affairs

SUBJECT: Health Care Talking points for 9/28

The White House
Health Care Reform Today
September 28, 1993

* To set the record straight: The Health Security Act of 1993 covers mammograms for women of any age whenever she and her doctor agree they are necessary or appropriate. For women over age 50 screening mammograms administered every other year are covered with no co-payment or deductible. This is based on a study by the U.S. Preventive Services Task Force, which determined the best timetables for several types of screening tests. For women of any age who require annual screenings, mammograms will be covered just like any other diagnostic service if a physician finds them necessary or appropriate. Sunday, former NIH chief, Dr. Bernadine Healy questioned the plan's approach to such screenings. It is shameful that Dr. Healy would make this charge when the NIH, under her leadership, recommended this screening schedule. As a physician, she should be appalled at using fear to frighten women on this issue. And, she knowingly misquoted the Clinton plan. That must be the difference between being a doctor and being a candidate.

* Those opposed to health care reform are making an argument that there will be a complicated new federal bureaucracy. It's just not true. The National Health Board will consist of seven members appointed by the President with the advice and consent of the Senate. The National Health Board will assume certain responsibilities for administering the new health care system, while existing federal agencies assume others. The Board will:

* Sets national standards for state plans and ensures access to health care for all Americans.

* Interprets and updates the comprehensive benefits and recommends to the President and Congress changes in the health care system.

* Establishes a new performance-based quality management program and develops valid measures of health outcomes to be used in annual performance reports for health plans.

* Develops and implements standards for a national health information system, using a public-private network to support quality improvement and collects enrollment data and comparative information about cost.

* Implements the safety net of
the national health budget.

The Board will not have a large staff and it's
power will be limited. It will set standards and
let the market and private sector run the system.

Health Care Reform Today * The White House *
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