

9TH DISTRICT, WASHINGTON

JW
① Roy - keep cc & monitor
② Orig to Chris Jennings
asking for
advice/follow
up

Congress of the United States
House of Representatives
Washington, DC 20515-4709

FAX FAX

Congressman Mike Kreidler
Washington - 9th

1535 Longworth HOB
Washington, D.C. 20515
(202) 225-8901
fax: (202) 226-2361

TO: Carol Rasco

Phone: _____

Fax: _____

FROM: Dick VanWagenen

Comments: We discussed this briefly this morning. I hope you can refer it to the right place & someone can contact me. Many thanks for your talk today & help.
6 pages + cover

COMMITTEE:
ENERGY AND COMMERCE

SUBCOMMITTEES:
HEALTH AND THE ENVIRONMENT
ENERGY AND POWER

COMMITTEE:
VETERANS' AFFAIRS

SUBCOMMITTEES:
HOSPITALS AND HEALTH
HOUSING AND MEMORIAL AFFAIRS
OVERSIGHT AND INVESTIGATION



Mike Kreidler
Congress of the United States
9th District, Washington

WASHINGTON OFFICE:
1536 LONGWORTH BUILDING
WASHINGTON, DC 20518
(202) 225-8901

DISTRICT OFFICES:
1-800-765-8137

312 4TH STREET S.E.
PUYALLUP, WA 98372
(206) 840-6688

MAILING ADDRESS:
POST OFFICE BOX 907
PUYALLUP, WA 98371

31919 1ST AVE. SO., SUITE 140
FEDERAL WAY, WASHINGTON 98003
(206) 848-0652

May 3, 1993

Ms. Carol Rasco
The White House
Washington, D.C. 20500

Dear Ms. Rasco:

I am writing to ask if someone from the Administration could participate in a conference on health care reform that I am hosting, on June 3 in Seattle. The conference will focus on the health plans recently enacted in Washington State and expected to be proposed by the President's Task Force. We expect 200 to 300 people from the business, labor, provider, insurer, and consumer communities. Congressman Dick Gephardt has agreed to be the luncheon speaker.

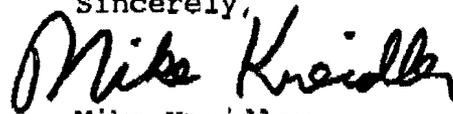
We need Administration representation on a morning panel to describe and discuss the Task Force recommendations, the Washington State plan, and comparisons and contrasts between them. Other panelists would include a state legislator, the administrator of the State Health Care Authority, and the director of the University of Washington's Health Policy Analysis Program. The role of the Administration representative would be to describe the Task Force recommendations, take part in a discussion with the other panelists, and respond to questions.

It would, of course, be understood that any comments by an Administration representative were subject to the President's future decisions about his proposal. Even so, such participation would be very valuable to those attending, and would be a chance to present the Task Force recommendations to an influential group of citizens in our area.

-2-

The conference is being arranged by the nonprofit Columbia Resource Group. A copy of the draft agenda and invitation letter are enclosed. Dick Van Wageningen of my staff can provide further information about the conference and this request. Many thanks for your help with this request.

Sincerely,

A handwritten signature in black ink that reads "Mike Kreidler". The signature is written in a cursive, slightly slanted style.

Mike Kreidler
Member of Congress

Enclosures

May 7, 1993

Dear (Mr./Ms./Dr. last name):

On Thursday, June 3, 1993, I will convene and moderate a conference entitled "Critical Choices in Health Care Reform." The event will be held at the Red Lion Inn in SeaTac beginning at 9:00 a.m. (registration begins at 8:30 a.m.) and concluding at 4:30 p.m. As chairman of the conference, I am pleased to extend a special invitation to you to participate in this important event.

Access to quality and affordable health care services is a matter of the utmost concern to the people of Washington State. As you know, the recent passage of the "Washington Health Services Act of 1993" has placed our state at the forefront of national reform efforts. This conference will bring together state and national leaders in health care including a diverse group of business and industry leaders, consumers, and government officials to discuss various perspectives on the state plan as well as the potential proposal from Hillary Rodham Clinton's task force.

President

I believe the conference will provide a valuable forum for the exchange of information and ideas that will help guide future planning by government, business and health care providers at both the state and federal levels. The enclosure provides additional information about the program and guest speakers.

The conference is being coordinated by Columbia Resource Group, an organization with a great deal of experience in planning similar events. In lieu of a registration fee, the only cost is the price of the luncheon and coffee breaks. To confirm your attendance, please complete and return the enclosed registration form along with a check for \$25.00 made payable to "CRG, Columbia Resource Group".

I am hopeful you will plan to attend and I look forward to seeing you on June 3rd.

Sincerely yours,

Mike Kreidler
Member of Congress

CRITICAL CHOICES IN HEALTH CARE REFORM

Partial List of Speakers
(Additional national and state speakers to be announced)

*

CHAIRMAN
U.S. Representative Mike Kreidler

*

June 3, 1993
Red Lion Hotel - Seattle Airport
SeaTac, Washington

CHAIRMAN AND MODERATOR

U.S. Representative Mike Kreidler, 9th Congressional District, Washington
Congressman Kreidler is currently serving his first term in the U.S. House of Representatives. As a member of the House Energy and Commerce Committee, Congressman Kreidler serves on the Subcommittees on Health and the Environment and Energy and Power. An Optometrist by profession, he has been a leader in health care reform, serving on the Health Committee during his sixteen years of service in the State Senate and State House of Representatives. While in the State Legislature, he passed generic drug, respite care, nursing home reform and cost containment legislation. He holds a Doctor of Optometry degree from Pacific University of Oregon and a master's degree in Public Health from U.C.L.A.

LUNCHEON SPEAKER

U.S. Representative Dick Gephardt, House Majority Leader, 3rd Congressional District, Missouri
Congressman Gephardt has served as House Majority Leader since 1989 and was elected to Congress in 1976. As Majority Leader, he works with the Speaker in directing the Democratic Party's legislative agenda in the House of Representatives. Additionally, he represents the Democratic Leadership on the Budget and Intelligence Committees, and leads the House Arms Control Observers Group. Past leadership roles include Chairman of the House Democratic Caucus, Founding Chairman of the Democratic Leadership Council, and Chairman of the House Trade and Competitiveness Task Force. Congressman Gephardt received his undergraduate degree in speech from Northwestern University and earned his law degree from the University of Michigan.

STATE HEALTH PLAN AND PRESIDENT'S PROPOSAL (State Legislator - leader in health care reform)

Reform in the 2 Washingtons

Margaret Stanley, Director, Washington State Health Care Authority
Ms. Stanley was appointed Administrator of the Washington State Health Care Authority and chair of the State Employees Benefits Board in 1988. She also serves as vice-chair of the Health Care Commission and is a member of the National Council on Graduate Medical Education. Previous health care experience includes serving as Executive Vice President and Chief Health Care Officer of Blue Cross of Washington and Alaska. Ms. Stanley has a Master of Health Administration degree from the University of Washington and a Bachelor of Arts degree in Political Science from Bucknell University.

APR-29-93 THU 11:35

P-03

(Clinton Administration Official)

COMPARISONS AND CONTRASTS

Aaron Katz, Staff Director, University of Washington Health Policy Analysis Program
Mr. Katz has been staff director of the Health Policy Analysis Program, University of Washington School of Public Health and Community Medicine since 1988. He is also founder and editor of *Washington Health*, a newsletter for the Pacific Northwest's health care community now in its eighth year of publication. In 1974 he received a B.S. in Zoology from the University of Wisconsin and in 1975 earned a C.P.H. from the University of Toronto.

WHAT STATE AND CLINTON PLANS WOULD MEAN TO INTEREST GROUPS
(Roundtable Discussion)

Moderator - Barry Mitzman, Executive Producer, KCTS-Television

Perspectives on Reform

Richard W. Seaman, M.D., President-elect, Washington State Medical Association

Dr. Richard Seaman is an otolaryngologist in Olympia and serves on the Executive Committee, Board of Trustees and Congressional Liaison Committee of the Washington State Medical Association. He is an active member of several professional organizations, including the American Medical Association and the Washington State chapter of the American College of Surgeons. Dr. Seaman received his bachelor's and medical degrees from the University of Washington.

Bonnie Sandahl, A.R.N.P., Washington Nurses' Association

Ms. Sandahl has worked as a Clinical Nurse Specialist at Harborview Medical Center since 1978. She serves as Chair of the Washington Nurses' Association's Task Force for Health Reform. In 1992 she was First Vice-President of the King County Nurses' Association. Ms. Sandahl received a B.S.N. from the School of Nursing at the University of Washington and a M.N. in Maternal-Child Nursing in 1974.

Donald P. Sacco, President and Chief Executive Officer, Pierce County Medical

Mr. Sacco's diverse health care experience ranges from managing health care clinics on the Navajo Indian Reservation to his current role as the President and C.E.O. of Pierce County Medical. He is involved with the Alliance for Health Care Reform, and on a national level he serves as Board Member of the Blue Cross and Blue Shield Association. He is also a Board Member of Washington Physicians Service. Mr. Sacco received his B.A. degree from the State University of Cortland and earned a Master of Public Administration degree at the University of Missouri in Kansas City.

Pam MacEwan, Associate Director, Washington Citizen Action

Coordinating a health reform coalition of labor, church, seniors and disability groups has been one role Ms. MacEwan has played in the recent deliberations over state health care reform. She has served as Associate Director since 1991, and previously worked as the Regional Director of District 925 of the Service Employees International Union, AFL-CIO, in Seattle. Recent memberships include serving on the Government-Elect Lowry Transition (Co-Chair Health Care Task Force) and as a member of Insurance Commissioner-Elect Deborah Senn's Transition Advisory Committee. Ms. MacEwan has a B.A. from The Evergreen State College and a M.A.T. degree from Brown University in Providence, Rhode Island.

Steve Hill, Senior Vice President of Human Resources, Weyerhaeuser Company

Mr. Hill began his association with the Weyerhaeuser Company in 1968 and worked in various positions before assuming his responsibilities as Senior Vice President, Human Resources in 1990. He is currently the President of the Health Care Purchaser's Association and has also served as the private employer representative on the Washington State Hospital Rate Setting Commission. His education includes receiving a bachelor of science degree in forest management from the University of California at Berkeley in 1969 and a master of business administration degree from the University of California at Los Angeles in 1971.

APR-29-93 THU 11:36

P. 04

(Washington State Hospital Association representative)
(Bobble Burkowitz - Deputy Secretary, Washington State Health Department)
(Health Maintenance Organization Representative)
(Small Business Representative in 9th District)

Initial conference cosponsors are:

- The Boeing Company
- Evergreen Hospital Medical Center
- Federal Way Chamber of Commerce
- First Choice Health Network
- Greater Seattle Chamber of Commerce
- GTE Northwest
- Health Care Purchaser's Association
- HealthPlus
- Puyallup Chamber of Commerce
- SeaFirst Bank
- Sisters of Providence
- Tacoma/Pierce County Chamber of Commerce
- University of Washington Health Policy Analysis Program
- Washington Mutual Bank
- Washington Physicians Services
- Washington Medical Association
- Washington Nurse's Association
- Weyerhaeuser Company

Date: 5/6
Time: 3:45p

THE WHITE HOUSE

FAX COVER SHEET

TO: Carol Raxo

Phone: () 456 - 2210

FAX: () 456 2876

FROM: Christine Heenan

Phone: (202) 456-2929

Pages following cover sheet =

Dear Carol:

I called Deborah Steelman as soon as I got your fax; she was unavailable but I left a message. She represents the AIA, the American Insurance Association. They are the largest group of property and casualty insurers in the country, and are understandably concerned about our efforts to fold in the health components of auto and workers' comp insurance, since that represents a significant chunk of their business.

Gary Claxton, formerly of the National Association of Insurance Commissioners and our top flight insurance reform expert, has met with them three times already, most recently last week. They were brought in very early on, were asked to prepare information for us, and have been met with more than any other insurance group. Gary's sense is they just don't like what we're proposing, and want to sit down with Ira.

I'll try to get them on Ira's schedule next week, but Marge says things are pretty tight. Please advise me whether you think its really important, and we'll try to move things around. In the mean time tell them Gary will speak to their group on May 19.

I'll let you know the outcome when Deborah Steelman calls me back.

Thanks again, Carol, for speaking to the Medicaid directors. You were great.

Christine Heenan

MEMORANDUM
OF CALL

Previous editions usable

TO CR

YOU WERE CALLED BY YOU WERE VISITED BY

Rebecca Steelman
OF (Organization)

637 5890

PLEASE PHONE FTS AUTOVON

WILL CALL AGAIN IS WAITING TO SEE YOU

RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

*re matter you
talked about
a couple days
ago*

RECEIVED BY pr DATE 5/6 TIME 9:5

MEMORANDUM OF CALL

Previous editions usable

To: *CR*

YOU WERE CALLED BY *Debbie Steelman* YOU WERE VISITED BY

OF (Organization)

PLEASE PHONED FTS AUTOVON

P6(b)(6)

WILL CALL AGAIN IS WAITING TO SEE YOU
 RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

*Worker's Compensation
Industry
May 19
Epcard*

RECEIVED BY: *Roz* DATE: *5/4* TIME: *9:00*

Christine Heenan

I was called in last day or so by Debbie Steelman who is a lawyer here in town, worked in Bush White House in Domestic Policy area and then in OMB...was always a very decent character to tell the truth. She says she is representing a group of Workers' Comp. officials (I didn't get full picture exactly what organization) and they are eager to meet with someone on Health Care Reform working group/task force. Also, they have a Board meeting coming up on May 19 at which time they would welcome a speaker, discussion session, whatever. They have been unsuccessful thus far getting a meeting, not sure whom they have called. Can you please call her today? I know she encounters Clinton periodically...even saw him out jogging recently and she jogged with him that a.m. She would probably say something to him about meeting if we don't respond soon...many thanks. Her number is

P6/(b)(6)

Carol Rasco

Kenneth S. Abramowitz
Health Care Analyst

UK

*① Call him Fri
& tell him I
got letter too late
to attend.*

April 13, 1993

*② Send to intake,
Intake Center*

Ms. Carol Rasco
Domestic Policy Council
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Carol,

I have enclosed a final copy of a speech that I will be delivering this Thursday, April 15, at the Sheraton Washington for the National Managed Care Congress at 9:00-10:15 a.m. Please feel free to attend or send a representative, as my guest.

You might be interested in reading the last 2 pages which are new and were not included in my preliminary version. I firmly believe that Global Budgets will make the Federal government responsible for all the chaos that will result from downsizing the system and will eventually lead to political suicide for the Clinton Administration.

I remain willing to visit with you in person should you want me to brief you on my views of the health care system, aided by 15 years of experience on Wall Street, as a health care analyst.

Sincerely,

Kenneth Abramowitz



BERNSTEIN RESEARCH

THE FUTURE
OF HEALTH CARE DELIVERY
IN AMERICA

APRIL 15, 1993

KENNETH S. ABRAMOWITZ
HEALTHCARE ANALYST
SANFORD C. BERNSTEIN CO.
(212) 756-4590

Sanford C. Bernstein & Co., Inc. 767 Fifth Avenue New York, New York 10153 212/486-5800

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Causes of Health Care Inflation

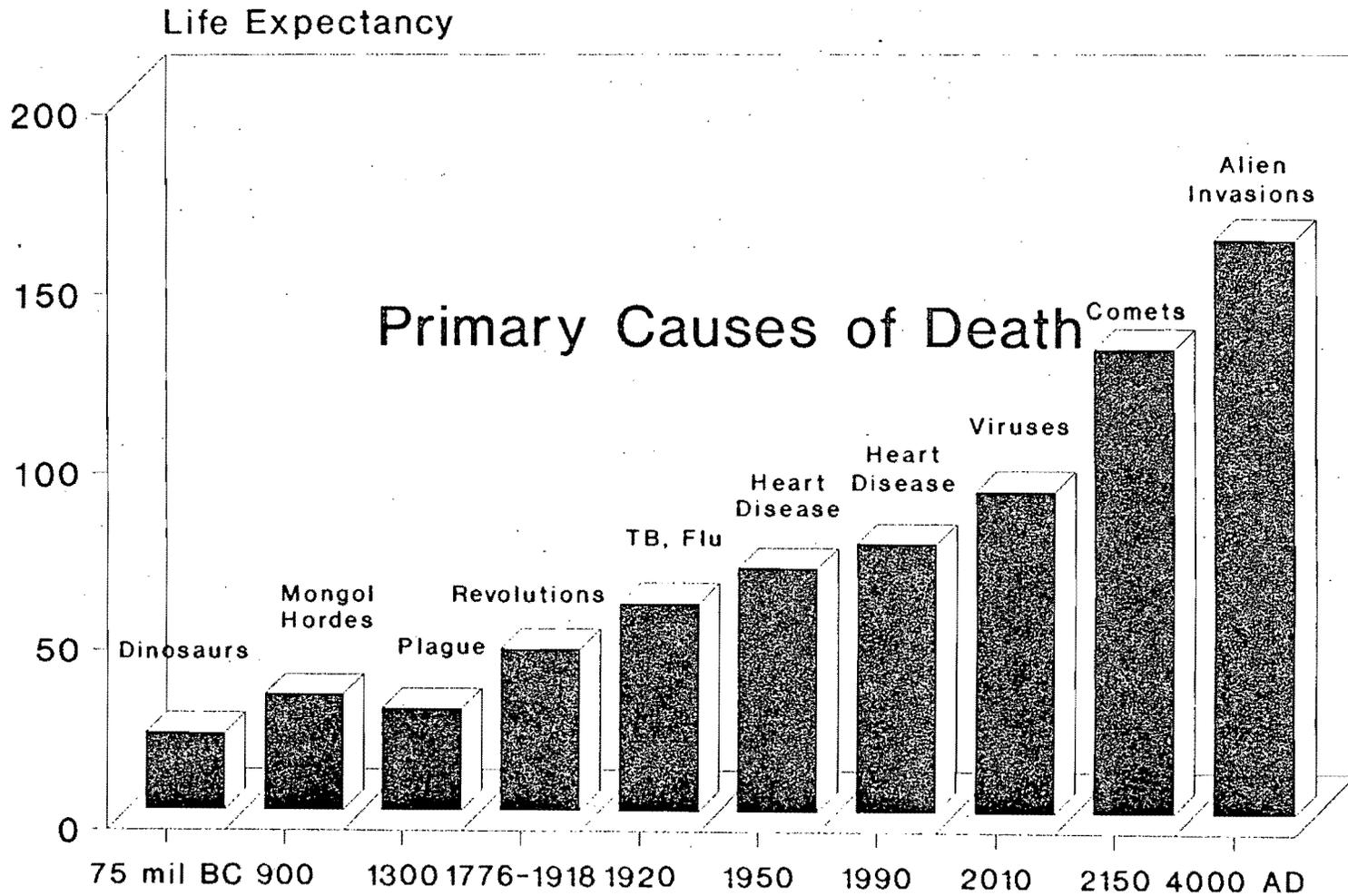
Unavoidable Factors

- Aging of the Population
- Technology
- Service Cost Inflation

Discretionary Factors

- Medically Uneducated, Insufficiently Price-Sensitive Consumers
- Highly Fragmented Insurance Industry With Little Expertise in Medical Management
- Massive Excess Hospital Capacity, Exacerbated by the Proliferation of Outpatient Care
- Wildly Varying Medical Practice Standards
- Resource Focus on Acute Care Rather than Preventive Care
- Insufficient Medical Outcomes Data
- Overuse of Physician Specialists
- Heroic Attempts to Save Virtually Hopeless Cases
- Malpractice Fears and Pressures
- Few Effective Pharmaceutical Formularies

Life and Death



Source: Corporate Reports and Bernstein Estimates

National Health Expenditures, by Type of Expenditure (% Growth)

	Growth	
	1987 - 1992	1992-1997E
Hospital Care	11%	9%
Physicians' Services	11	8
Other	11	10
Total	11%	9%
Memo: Health Care as % of GNP	13%	15%
% Hospital	38%	36%

National Hospital Expenditures, Sources by Revenue (% Growth)

	Growth	
	1987-1992	1992-1997E
Medicare	9%	8%
Medicaid	16	11
VA	8	7
Total Public	10%	8%
Insurance	11%	9%
Private Pay	13	14
Total Private	12%	10%
Total Hospital	11%	9%
Memo: % Public	53%	51%

**Private Pay Population
Hospital Reimbursement Per Patient Day**

	1987	1992	1997E	Growth	
				1987- 1992	1992- 1997E
Fee-For-Service	\$920	\$1,640	\$3,150	11 %	14 %
Fee-For-Service-Managed	920	1,640	2,650	11	10
Fee-For-Service-PPO	880	1,235	1,730	7	7
HMO	810	1,010	1,350	5	6
Total	\$895	\$1,365	\$1,950	9 %	8 %
Memo: HMO Payments % of Fee-For-Service	90%	62%	43%		

Source: Corporate reports and Bernstein estimates.

HMO Census, by Company (Millions of Enrollees at Year-End)

	1986	1987	1988	1989	1990	1991	1992E	1993E	1994E	1995E	1996E
Kaiser Permanente (Oakland, CA)	4.9	5.1	5.6	6.3	6.5	6.6	6.9	7.2	7.6	8.0	8.5
Blue Cross (Chicago, IL)	3.6	4.5	4.5	4.7	4.8	4.9	5.0	5.2	5.5	6.0	6.5
Prudential (Newark, NJ)	0.6	1.2	1.5	1.7	1.8	2.2	2.6	3.0	3.5	4.0	4.5
CIGNA Healthplan (Hartford, CT)	1.0	1.1	1.4	1.5	2.1	2.2	2.3	2.5	2.7	3.1	3.5
Humana (Louisville, KY)	0.6	0.5	0.7	0.8	1.0	1.5	1.5	1.6	1.8	2.1	2.5
United HealthCare (Minn. MN)	1.2	1.5	1.0	1.0	1.2	1.4	1.7	2.1	2.3	2.5	2.7
U.S. Healthcare (Blue Bell, PA)	0.7	0.8	0.9	1.0	1.1	1.2	1.4	1.6	1.8	2.0	2.2
Aetna (Hartford, CT)	0.4	0.5	0.8	1.3	1.3	1.3	1.3	1.4	1.5	1.7	2.0
HIP (New York, NY)	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.3	1.4	1.5
PacifiCare (Cypress, CA)	0.2	0.2	0.3	0.6	0.7	0.8	1.0	1.1	1.2	1.3	1.4
HealthNet (Van Nuys, CA)	0.4	0.5	0.6	0.7	0.8	0.8	0.8	0.9	1.0	1.1	1.2
Sanus (NY, NY)	0.2	0.3	0.5	0.6	0.7	0.8	0.8	0.9	1.0	1.1	1.2
Metropolitan Life (New York, NY)	0.2	0.3	0.4	0.5	0.6	0.7	0.8	1.0	1.2	1.4	1.6
FHP (Fountain Valley, CA)	0.2	0.3	0.4	0.5	0.6	0.6	0.8	0.9	1.0	1.2	1.3
TakeCare (Concord, CA)	0.1	0.2	0.2	0.2	0.2	0.6	0.6	0.7	0.8	0.9	1.0
Harvard Community Health (Boston, MA)	0.3	0.4	0.4	0.5	0.5	0.5	0.6	0.7	0.8	0.9	1.0
Travelers (Hartford, CT)	0.1	0.1	0.1	0.1	0.2	0.3	0.5	0.7	0.9	1.0	1.1
Henry Ford (Detroit, MI)	0.2	0.2	0.4	0.5	0.5	0.5	0.5	0.6	0.7	0.8	0.9
WellPoint (Woodland Hills, CA)	-	0.1	0.1	0.2	0.3	0.4	0.5	0.5	0.6	0.7	0.8
Group Health of Puget Sound (Seattle, WA)	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Foundation Health (Sacramento, CA)	0.2	0.3	0.4	0.4	0.3	0.3	0.4	0.5	0.5	0.6	0.7
Coventry (Nashville, TN)	-	-	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.7	0.8
Mid Atlantic (Rockville, MD)	-	0.1	0.1	0.1	0.3	0.4	0.4	0.5	0.5	0.6	0.7
Healthsource (Concord, NH)	-	-	0.1	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.6
Intergroup (Tucson, AZ)	-	-	0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.6
Maxicare (Los Angeles, CA)	2.1	2.3	0.8	0.4	0.3	0.3	0.3	0.3	0.4	0.4	0.5
CareAmerica (Chatsworth, CA)	-	-	-	0.1	0.2	0.2	0.3	0.3	0.4	0.5	0.6
HMO America (Chicago, IL)	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.5	0.5
Group Health (Minn., NM)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4
Sierra Health (Las Vegas, NV)	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.3
Ramsay-HMO (Miami, FL)	-	-	-	-	0.1	0.1	0.1	0.1	0.2	0.2	0.3
Family Health (Milw, WI)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Oxford (Darien, CT)	-	-	-	-	0.1	0.1	0.1	0.2	0.2	0.3	0.4
PHS (Trumbull, CT)	-	-	-	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.3
Other	7.2	8.2	9.9	8.6	8.9	8.8	8.9	9.1	9.3	10.4	11.2
Total	26.7	30.5	33.4	35.0	38.0	40.5	43.5	47.5	52.5	58.0	64.0
% Increase	24 %	14 %	9 %	5 %	9 %	7 %	7 %	9 %	10 %	10 %	10 %
Memo: # of Plans	625	655	605	590	555	550	545	540	535	530	525
Members (000)/Plan	43	47	55	59	68	75	80	88	98	110	122
Price Increase - HMO Industry	4 %	3 %	10 %	17 %	16 %	13 %	12 %	10 %	9 %	8 %	8 %
- Insurance Industry	5 %	8 %	20 %	27 %	20 %	17 %	17 %	15 %	14 %	13 %	13 %
- HMO Value Advantage	2 %	7 %	17 %	27 %	31 %	35 %	40 %	45 %	50 %	55 %	60 %

Source: Bernstein estimates.

**Private Pay Segmentation
Hospital Patient Days Per 1,000 Population**

	1986	1987	1988	1989	1990	1991	1992	1993E	1994E	1995E	1996E	2000E	2100E
Fee-For-Service	680	695	690	670	675	675	675	670	665	660	655	640	500
Fee-For-Service-Managed(1)	585	580	575	550	550	550	545	540	535	530	525	510	410
Fee-For-Service-PPO(2)	585	580	575	550	550	545	540	535	530	525	520	500	400
HMO(3)	375	375	365	365	370	360	350	340	330	325	320	330	350
Weighted Avg. Patient Days	605	600	590	575	555	540	530	520	510	500	490	475	370
% Increase	(4) %	(1) %	(2) %	(3) %	(3) %	(3) %	(2) %	(2) %	(2) %	(2) %	(2) %	(1) %	(1) %

**Private Pay Segmentation
% of Population In Each Tier**

Fee-For-Service	66 %	57 %	48 %	41 %	33 %	24 %	20 %	16 %	13 %	11 %	9 %	5 %	0 %
Fee-For-Service-Managed(1)	13	15	20	23	24	25	24	21	19	18	18	16	10
Fee-For-Service-PPO(2)	9	13	16	20	25	30	33	37	40	42	42	39	20
HMO- IPA(3)	7	9	10	11	12	13	14	15	16	17	18	23	35
- Group/Staff	5	5	6	6	7	8	9	10	11	12	13	17	35
Total	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Memo: HMOs as % of Private													
Population	12 %	14 %	16 %	17 %	19 %	21 %	23 %	25 %	27 %	29 %	31 %	40 %	70 %
Uninsured Population	12 %	12 %	12 %	13 %	13 %	13 %	13 %	14 %	13 %	12 %	10 %	7 %	3 %

(1) - Assumes hospital pre-admission certification.

(2) - Assumes both pre-admission certification and provider discounts.

(3) - Includes open HMOs with point-of-service options.

Source: AHA, Blue Cross, InterStudy, and Bernstein estimates.

What A Democracy Wants

Desires:

- Unlimited choice of doctors, hospitals, and pharmaceuticals
- Instant access to healthcare
- Low prices
- Guaranteed insurance
- No risk premium for unsafe behavior

Policy Implications:

- Subsidized insurance
- Broader access to Medicare, Medicaid, HIPCs, or employer-financed insurance
- More generous benefits
- Global budgets
- Wage/Price controls
- No interference with unhealthy behavior

What A Democracy Needs

Needs:

- Organized managed care to control costs and review quality
- Changes in individual behavior to reduce unsafe habits
- Guaranteed access to a high quality health plan
- Agglomeration of buying power into fewer corporate entities so as to gain large discounts

Policy Implications:

- Endeavor to allow access into a high quality HMO for everyone
- Tax healthcare benefits in excess of that required to join a good HMO
- Subsidize the uninsured or under-insured to join quality HMOs
- Tax unhealthy behavior through excise taxes on cigarettes, liquor, cholesterol and fat

Pitfalls Inherent in Global Budgeting

- Subsidization of health insurance through corporate payors and excessive tax deductibility will always excessively fuel health care demands that exceed any pre-determined budget
- Excessive use of cigarettes, alcohol, and high fat foods, combined with other unhealthy life-styles, also fuels demand for health care, but will be politically ignored and not curbed through higher excise taxes
- Global budgets cannot distinguish between "socially wasteful" third-party spending and legitimate individual spending
- Government responsibility to globally control health care spending will inevitably lead to wage/price controls which will focus on scapegoats with the least amount of political power, particularly middlemen such as insurance companies and perhaps even HMOs
- Wage/price controls represent a highly corrupting force which will incent provider cheating and political, PAC-related bribery
- If they worked short term (even though they cannot work in the long term), wage/price controls over hospitals and physicians would reduce incentives for people to join HMOs so as to access wholesale prices; if implemented on insurance plans, the most efficient would be penalized unless the cap were expressed in dollars as opposed to growth rates
- Government influence over pricing will lead to short-term price fixes that will be very deleterious to the long term delivery of quality, cost effective care and, as a result, will produce the equivalent standard of excellence known to our public school system

**Implementation Of A
National Cost Containment Board
Without The Establishment
Of Wage/Price Controls
And/Or A Police State**

<u>Cost Containment Board Actions</u>	<u>Policy Changes If Cost Growth Does Not Decelerate 0.5% Relative to CPI</u>
Year 1- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Surgeon General's office is considerably expanded to report on eating and life style problems fueling excessive health care inflation; institute small case reform and experimental HIPCs
Year 2- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Raise cigarette and liquor excise taxes 100% now and 20% annually for 10 years; use part of proceeds to subsidize small case reform and to fund birth control and AIDS educational efforts, as well as universal access to pre-natal care, birth control & abortion; institute malpractice reform
Year 3- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Institute cholesterol and fat tax; use small part of proceeds to finance a \$50 per family tax credit to join a health fitness club (if not already a member)
Year 4- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Institute tax cap for families with income in excess of \$100,000 so that only the equivalent cost of joining an HMO is tax deductible; use proceeds to offer subsidized HMO care for those without insurance and simultaneously jawbone and/or subsidize all employers to provide health insurance
Year 5- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Extend tax cap to families with income above \$80,000
Year 6- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Extend tax cap to families with income above \$60,000; use proceeds to expand Medicaid
Year 7- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Extend tax cap to families with income above \$40,000
Year 8- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Extend tax cap to families with income above \$20,000
Year 9- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Extend tax cap to families with income above \$0
Year 10- Report on and analyze cost growth; highlight organizations/companies helping to moderate or fuel inflation	Create standards of care for hopeless patients and authorize rationing of care

Suggestions For Democrats

Re-think and move slowly on the concept of Global Budgeting:

- Such caps will not work and will lead to wage/price controls
- Wage/price controls lead to "cheating" which will necessitate establishing a police state for administration
- Insurance plan inflation caps would penalize the most efficient plans and leave self-insured plans uncontrolled unless ERISA laws were altered
- Politicizing cost containment will lead to enormous political payola
- There will be no winners, only losers, as in Russia

Stop hoping for single-payor National Health Insurance:

- Our government cannot administer something that is so complicated; a competitive private sector can do it better
- The system will run a massive, chronic deficit due to political unwillingness to charge employers or individuals sufficiently
- A one-payer system will lead to gross underpayments to all providers and will ultimately degrade the system as we have done to our public schools
- For political reasons, low quality providers will almost never be closed down
- Individual copayments and deductibles will be artificially held down
- Demand will rise for new benefits like drugs and long-term care
- Utilization review would be modest, at best
- Quality providers would not get bonuses

Stop talking about individual freedom-of-choice and cost containment in the same sentence; reposition concept of freedom-of-choice to imply the choice of a health plan, not an individual provider

Reposition the concept that healthcare is a right into the concept that everyone should have the right to join an HMO; finance this "right" through health insurance tax caps

Fix the AAPCC so that more HMOs will find Medicare to be attractive

Particularly focus on those parts of the system that are broken such as the uninsured, the Medicaid population, small businesses and those with pre-existing illnesses

Stop looking at the government as a public automated teller machine

Suggestions For Republicans

Stick with the proposal to institute a tax cap on the incremental cost above that of an HMO for those making over \$125,000 and then move the resources to the poor who actually need the help; also stop subsidizing Medicare for those with incomes over \$75,000 who do not join an HMO

Seek to broaden the role and budget of the Surgeon General to focus far more attention on preventive health

Accept the principle that there are "good" taxes and "bad" taxes; support higher taxes on health care benefits, as well as cigarettes, liquor and cholesterol

Focus more public attention on to the successes of managed care

Focus public attention on the dangers inherent in Global Budgeting and why systemic cost containment must not be allowed to become a governmental responsibility

Stop preaching against abortion:

- It is hypocritical for a Party that favors the rights of the individual and opposes unnecessary government intervention
- It is bad social policy to encourage unwanted births and then insufficiently finance education and healthcare for the poor
- It squanders the resources of the country
- It is sexist and demeaning to women

Suggestions For President Clinton

1. Make a major strategic decision as to whether you want systemic long-term reform (managed competition) or illusory short-term reform (global budgets), not both. If you insist, try informal global targets instead. Before implementing global budgets on health care, try practicing on Medicare, Medicaid, the VA, or total Federal spending first.
2. Announce a 10 year goal to slow health care close to the rate of GDP growth, but make no mention of insurance price controls or else no one will invest the capital necessary to manage care.
3. Support an insurance tax cap, above the cost of joining an HMO, to be paid by employers (and if possible, employees) for employees making over \$100,000 annually and then lower it \$10,000 annually over the next 10 years. Accept the principle that the tax cap must form the centerpiece of any intelligent reform as it incents use of HMOs and simultaneously raises funds for the uninsured. Set a relatively high cap level to accomodate labor union concerns, then grow it annually at 3-7%.
4. Do not push the insured population unduly rapidly into HMOs because most people are not yet willing to give up freedom-of-access and the HMO industry cannot absorb membership growth in excess of 15-20% annually.
5. Institute small case reform by disallowing experience rating and pre-existing illness restrictions; set up HIPCs focused on small employers with 1-50 (perhaps 1-100) employees, perhaps on experimental basis for 1-2 years, and then expand them throughout.
6. Phase in employer-paid healthcare over 10 years by funneling all minimum wage increases into HMO health insurance, with the government paying for the differential near-term, if necessary.
7. Phase in access to anyone without insurance into any Federally qualified HMO at 125% of the average community rate, but make the Federal government responsible for all costs in excess of a 95% medical loss ratio. Allow 100% tax deduction for the self-employed.
8. Raise excise taxes 100% now and then at least 20% annually on cigarettes and liquor; after your re-election, impose excise taxes on fat and cholesterol; expand the office of the Surgeon General so as to publish more reports on unhealthy behaviors.
9. Encourage states to set up innovative drug, AIDS and birth control education, prevention and treatment efforts; experiment with needle exchange and government-provided illicit drugs under physician supervision, as in the UK.
10. Encourage legislation to merge managed health insurance and workers' compensation; reform the malpractice system; ban anti-managed care legislation; reduce funding for specialty residency programs and target funding to increase the number of primary care physicians; incent primary care physicians to move to rural areas through national service programs.
11. Move very slowly to attack Puerto Rican tax benefits of the drug industry or else some high risk R&D will be curbed, factories will move to other tax havens, and all the Puerto Ricans will move to the U.S.
12. Raise Medicare Part B premiums at 10% annually for those who join HMOs, but 15% annually for those who do not; fix the AAPCC rates so as to encourage more Medicare HMOs and grow the rates at least 7% annually every year so as to encourage HMO investment and long term planning.
13. Move all Medicaid beneficiaries into HMOs over the next 10 years.
14. Do not allow the VA to build any new hospitals; as the VA hospitals close, lease an equivalent number of floors at the best, empty hospitals in the country; move CHAMPUS beneficiaries into HMOs and downsize the military hospital system over time.

A Good Example of Bad Health Care Policy*

- Set up no insurance tax cap at any level that would begin to incent employees to move into managed care. Instead, establish Global Budgets which make the irresponsible Federal government responsible for private-sector cost containment.
- Quickly set up untested HIPCs throughout the country for employers with less than 1,000 employees, (instead of less than 100), even though the vast majority of the employees already had access to managed care simply by joining an HMO.
- Impose price controls on insurance carriers and HMOs for the 50% of Americans not in self-insured plans, thereby reducing the incentives for HMOs to expand throughout the country and imposing severe margin pressure on an emerging industry that has been asked to increase spending on quality and outcomes studies. End the ERISA exemption and force self-insured corporate America into price caps.
- Impose a 5% sales tax on all health care services, but hold insurance price increases to 7-9%, thereby causing insurance company profit margins to collapse. In turn, insurance companies and HMOs will become viciously price sensitive and will force members into extremely narrow and unpopular managed delivery systems. Do not institute malpractice reform and curb defensive medicine.
- Do not financially incent the Medicare, Medicaid, VA or CHAMPUS populations to join HMOs. Unfairly pay Medicare and Medicaid HMOs so that they have no resources to expand.
- Do not expand IRAs, which would have incented people to save for their long-term care and other needs.
- Unduly rapidly give free or highly subsidized health care insurance to the uninsured through onerous immediate employer mandates and a dramatic expansion of Medicaid, which would be inadequately funded. Eliminate the Section 936 Puerto Rican tax shelter overly quickly in order to pick up revenue.

Implications

- Because it will take 1-2 years to pass this plan (if it ever passes) and another 2-3 years to implement it, the electorate will think that true health care reform is coming, but will not affect them, only the unpopular scapegoats.
- In years 5-7, national health cost growth will slow from 11% to 6% for 2-3 years due to the elimination of virtually all health care service and product company profits.
- In 6-8 years, a massive downsizing of the health care industry takes place, 25% of all hospitals close, 50% of biotechnology companies go bankrupt, 90% of doctors join medical groups, 50% of doctors become foreign medical graduates, 95% of the privately insured population is economically forced to join very limited access HMOs.
- In 8 years, the electorate blames the Clinton administration for the massive unexpected restriction of freedom, reduced access to high technology and huge loss of health care jobs.
- Democrats are voted out of power for another 25 years. All unionized hospitals go bankrupt. All major union leaders are toppled from power when the rank and file realize that their leaders' intransigence relative to tax caps (which would have incented the individual's choice to join an HMO) led to global budgets, that forced the individual to join a highly restrictive HMO, which they had never expected.

* Health care policy designed by a democracy in order to inflict virtually no short-term pain on itself and to focus the pain instead on every scapegoat it can find.

Conclusions

Say **NO** to anachronistic price controls, global budgets and excessive bureaucratic regulation

Say **YES** to accepting more responsibility:

Taxpayers - accept employee tax cap and higher excise taxes on cigarettes, liquor, cholesterol, and fat

Corporations - accept employer tax cap, peg insurance contributions to the HMO rate, and pay at least 75% of the cost to join a good HMO for all employees, integrate group health and workers' compensation

Consumers - choose between higher prices and unlimited access vs. low prices and limited choice; do not ask for both

Labor Unions - accept tax caps, not provider price controls

Hospitals -form PHOs and accept capitation

Physicians - form larger medical groups and accept capitation

HMOs - accept the lower margins inherent in broadening exposure to Medicaid, Medicare, small group, and individual markets

Pharmaceutical Companies - moderate price inflation, dramatically raise R&D spending

Government - stop looking for a quick fix; modify long-term incentives through tax caps and HIPC's; negotiate for and finance guaranteed access to a good HMO for all uninsured Americans

NMHCC

MONDAY APRIL 12, 1993

5:00pm - 6:00pm

Keynote: "Universal Healthcare—Who Wins? Who Loses?"
(Sponsored by the AAPPO and Rhône-Poulenc Rorer Pharmaceuticals)



M. Joycelyn Elders, MD, Director,
Arkansas Department of Health,
Surgeon General Designate

Dr. M. Joycelyn Elders is a native of Schall, Arkansas and has had a distinguished career in medicine. After graduating from the University of Arkansas Medical School in 1960, she worked as an intern at the University of Minnesota Hospital and as a pediatrician at the University of Arkansas Medical Center. She became a professor of pediatrics at UAMS in 1976. She received board certification as a pediatric endocrinologist in 1978. Dr. Elders was appointed Director of the Arkansas Department of Health in October, 1987. Dr. Elders recently became Surgeon General Designate under the Clinton/Gore Administration and will be appointed to be Assistant to the Secretary for Health Policy in 1993.

TUESDAY APRIL 13, 1993

9:00am - 10:15am

Keynote: "The New National Health Agenda: The Risks & Rewards"



David Durenberger, US Senator, R-Minnesota
For the last decade, Senator Durenberger has been one of a few select members of Congress who has been involved in shaping all the major health decisions being made in Washington, DC. He has served first as the Chairman and now as the ranking member of the Senate Finance Committee's Medicare Subcommittee. The Finance Committee also deals with Medicaid, Social Security, and the myriad of tax issues involving health care. He is also a member of the Senate's two other prominent health committees, the Labor and Human Resources Committee and the Environmental and Public Works Committee. He was also the chief Republican author of the landmark Americans with Disabilities Act. He was first elected to the Senate in 1978. In 1988, he became the first Republican in Minnesota's history to be elected three times.

Dr. David U. Himmelstein is also Associate Professor of Medicine at Harvard Medical School. In 1986, he founded the Physicians for a National Health Program. Dr. Himmelstein, a believer in social awareness, is a member of Physicians for Social Responsibility and Physicians for Human Rights. He has published over 40 articles on a wide array of health care issues. In 1985-86 he received the Teacher of the Year Award from The Cambridge Hospital. Dr. Himmelstein graduated with a BA from Bennington College and received his MD from Columbia University College of Physicians and Surgeons.



David U. Himmelstein, MD, Chief,
Division of Social & Community
Medicine, The Cambridge Hospital

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**Richard Kronick, PhD, Assistant
Professor, University of California,
Health Policy Consultant**

Dr. Richard Kronick is an Assistant Professor in the Department of Community and Family Medicine at the University of California, San Diego, and is a nationally recognized expert on health care financing issues. With Dr. Alain Enthoven, he is co-author of a proposal to achieve universal health insurance in the United States. Dr. Kronick has analyzed the effects of a variety of health care financing innovations under contract to the Health Care Financing Administration and has taught econometrics and statistics in the Government Department at Harvard University. Dr. Kronick received a PhD in Political Science from the University of Rochester and is the author of over 30 technical papers and publications in the health care financing field.

WEDNESDAY APRIL 14, 1993

8:30am - 9:45am

Keynote: "The Comparison of Futurist and International Views on Health Care Reform"



**Uwe E. Reinhardt, PhD, James Madison
Professor of Political Economy, Woodrow
Wilson School of Public and International
Affairs, Princeton University**
Professor Reinhardt has taught at Princeton University since September 1968, rising through the ranks

from Assistant Professor of Economics to the James Madison Professorship on Political Economy, his current title. Professor Reinhardt's teaching duties at Princeton University have included both micro- and macro-economic theory and analysis, accounting for business and nonprofit enterprises, corporation finance, financial management and public affairs, and health economics and policy. Professor Reinhardt's research interest has centered primarily on topics in health economics, a subject matter that has spawned the bulk of his professional publications. Professor Reinhardt received his PhD in economics from Yale University in 1970.

WEDNESDAY APRIL 14, 1993

4:45pm - 5:45pm

Keynote: "From Employers to Providers: What We Expect From the 'New Generation' of Managed Care"



Mary Jane England, MD, President,
Washington Business Group on Health

WBGH is a nonprofit national health policy and research organization whose membership includes the nation's major employers. Dr. England serves as the National Program Director of The Robert Wood Johnson Foundation's Mental Health Services Program for Youth. The initiative is a collaborative effort between the Foundation and the Washington Business Group on Health. Dr. England also serves on the Executive Committee of the White House Health Project; she is a member of the National Forum on the Future of Children and Families' panel on Maternal and Child Health Perspective on Health Care Reform; and she serves as vice chair of the National Steering Committee of the Primary Care/Substance Abuse Linkage Initiative. Dr. England holds honorary degrees from Regis College and the Massachusetts School of Professional Psychology.

THURSDAY APRIL 15, 1993

9:00am - 10:15am

Keynote: "Where Do We Go From Here With Managed Competition?"



Kenneth S. Abramowitz, Senior Analyst,
Sanford C. Bernstein & Co., Inc.

Mr. Abramowitz is a senior research analyst covering the hospital-supply and hospital-management industries. Before joining the firm in 1978, he was senior research analyst with Robert S. First, a health-care consulting firm. He was voted top hospital supply and/or service analyst on the Institutional Investor Magazine All-American Research Team from 1980-1984, in 1986, 1988, 1989, 1990, and 1992. He has made the team for both hospital services and hospital supply every year since 1987. He earned a BA from Columbia University in 1972 and an MBA from the Harvard Business School in 1976.



**Alain C. Enthoven, PhD, Marriner S.
Eccles Professor of Public and Private
Management, Graduate School of
Business, Stanford University**

Dr. Enthoven holds degrees in Economics from Stanford University, Oxford University, and Massachusetts Institute of Technology. He is a member of the Institute of Medicine of the National Academy of Sciences and a fellow of the American Academy of Arts and Sciences. He is Chairman of the Health Benefits Advisory Council for PERS, the California State Employee Medical and Hospital Care Plans, Chairman of Stanford University Committee on Faculty/Staff Benefits, and a consultant to Kaiser Permanente. His latest book is "Theory and Practice of Managed Competition in Health Care Finance."

Employer Summit

This address is offered by invitation only to Delegates of the Employer Summit. For information regarding who may attend see page 6.

MONDAY APRIL 12, 1993

8:45am - 9:15am

Keynote: "Shared Medical Decision Making: It's the Right Thing and It Works"



**Joseph F. Kasper, ScD, MBA, President
and CEO, Foundation for Informed
Medical Decision Making**

Dr. Joseph F. Kasper has for the last two years been President and CEO of the Foundation for Informed Medical Decision Making, a not-for-profit medical education and research organization based in

Hanover, New Hampshire. The Foundation develops and disseminates interactive video shared decision-making programs which provide medical information to patients to facilitate patient/physician decision making concerning treatment options. He holds appointments as an Adjunct Professor in the Department of Community and Family Medicine and in the Thayer School of Engineering at Dartmouth College. He teaches graduate engineering management courses at the Thayer School. Dr. Kasper has an SB, SM, and ScD from MIT and an MBA from Boston University.

Medical Director Summit

This address is offered by invitation only to Delegates of the Medical Director Summit. For information regarding who may attend see page 7.

MONDAY APRIL 12, 1993

9:15am - 9:45am

Keynote: "Empowering Patients While Containing Capacity: Rationalize, Don't Ration Care"



**John E. Wennberg, MD, MPH, Director,
Center for Evaluative Clinical Sciences,
Dartmouth Medical School**

John E. Wennberg, MD, MPH, is a nationally recognized leader in efforts to reform the doctor-patient relationship and improve the delivery of quality health care to all Americans. Dr. Wennberg currently serves on the Institute of Medicine's Health Sciences Policy Board and the Committee on Technological Innovation in Medicine. As a founder and continuing board member of the Foundation for Medical Decision-Making, he was instrumental in the design of soon-to-be marketed interactive videodiscs for use by patients to help them share decision making about treatment with their physicians. Dr. Wennberg is the principal investigator for the Prostate Assessment Team established under a new federal government program for outcomes research. He is a graduate of Stanford University and McGill Medical School.

HealthInfo

WEDNESDAY, APRIL 14, 1993

10:15am - 11:30am

Keynote: "Who Should Be Measuring What About Whom?"



**David M. Eddy, MD, PhD, Professor of
Health Policy & Management, Duke
University; Senior Advisor, Health Policy
Management, Kaiser Permanente,
Southern California Region**

Dr. Eddy received his MD degree from the University of Virginia and began training in surgery at Stanford. After two years, he left clinical practice and returned to school to receive a PhD in Engineering-Economic Systems (applied mathematics) at Stanford. In 1981, he set up the Center for Health Policy Research and Education at Duke University. His mathematical model of cancer screening was awarded the Lanchester Prize, the top award in the field of Operations Research. His recent work has focused on methods for estimating the outcomes of health practices and designing practice policies. Dr. Eddy is the methodological consultant to the BCBSA's Medical Advisory Panel which recommends coverage policies to the plans. He serves on the Board of Mathematics of the National Academy of Sciences and is a member of the National Academy of Sciences/Institute of Medicine.



**Paul M. Ellwood, MD
Chairman, InterStudy**

Currently the Chairman of the Board at InterStudy and Clinical Professor of Neurology, Pediatrics, and Physical Medicine and Rehabilitation at the University of Minnesota, Dr. Ellwood has been instrumental in restructuring the U.S. health system. He is currently concentrating on working with health care leaders to devise and implement "The 21st Century American Health System" to assure universal insurance coverage, managed competition, and health outcomes accountability. He received a BA with Distinction and an MD from Stanford University.

I will put my name on the

June 17, 1993

letters.

However if it's

See corrections.

MEMORANDUM FOR ROZ KELLY

FROM:

MARJORIE TARMEY

SUBJECT:

HEALTH CARE LETTERS FOR CAROL RASCO'S SIGNATURE

Since the charter of the Health Care Task Force has expired, Legal Counsel believes that health care correspondence should be signed by the President or Carol Rasco.

Attached you will find copies of response letters that we think should go under Carol Rasco's signature. Steve Neuwirth and Maggie Williams have reviewed the letters and they think that Carol, as Domestic Policy Chief should answer letterhead mail, policy suggestions and letters from physicians.

- The first letter is in response to mail that is written on letterhead stationery.
- The second one is in response to policy papers or letters with serious policy suggestions.
- The third letter is in response to physicians.

Could you please give these letters to Carol so that she can approve the language and make any changes that she thinks necessary?

Thanks.

*a lot of letters,
they must prepare
them ~~over~~ there*

*And I may have you
sign them.*

1

Dear 2,

On behalf of the President and Mrs. Clinton, ~~we~~ would like to thank you for your interest in the health care reform. It is helpful to the President's reform efforts to receive input from organizations such as yours -- concerned with the impact of reforming the nation's health care system.

As you may know, on January 25, 1993, the President announced the creation of a Task Force on National Health Care Reform. The President asked the Task Force to provide him with proposals for comprehensive health care reform. The President also announced on January 25 the creation of an interdepartmental working group that would gather and analyze information and options for the Task Force.

In over twenty meetings held during April and May, the Task Force reviewed materials it received from the interdepartmental working group, and from organizations such as yours; formulated proposals and options for health care reform and presented those proposals and options to the President. Each of those Task Force meetings was noticed in the Federal Register.

Having completed its mission, the Task Force terminated on May 30, as provided in its charter. The President is now in the process of reviewing the proposals he has received from the Task Force, and choosing from among the policy options that have been presented to him.

~~We~~ appreciate your participation in this vital endeavor. Your ideas have been very helpful during the deliberations on health care reform. Again, on behalf of the President and Mrs. Clinton, ~~we~~ thank you for your interest, time, and support.

How can it be "we"? reform

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1~

Dear Dr. 2~:

On behalf of the President and Mrs. Clinton, ~~we~~^I would like to thank you for your interest in health care reform. It is helpful to the President's reform efforts to receive input from professionals in the health care field who are dealing daily with the problems facing America's present health care system.

As you may know, on January 25, 1993, the President announced the creation of a Task Force on National Health Care Reform. The President asked the Task Force to provide him with proposals for comprehensive health care reform. The President also announced on January 25 the creation of an interdepartmental working group that would gather and analyze information and options for the Task Force.

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One of the task force working groups, The Health Professionals Review Group, conducted an in-depth study of the comments, proposals, and offers of assistance received from health professionals throughout the country. The results of this analysis were presented to the other working groups of the task force for consideration in their recommendations.

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