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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Meeting with Senate Small Business Committee (16 pages)	8/4/93	P5
002. memo	Chris Jennings to Hillary Clinton Re: Meeting with Senator Rockefeller (2 pages)	8/9/93	P5
003. memo	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Meeting with Chairman Rostenkowski (2 pages)	8/9/93	P5
004. memo w/attach	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Meeting with Chairman Dingell (5 pages)	8/9/93	P5
005. memo	Chris Jennings, Steve Edelsten to Hillary Clinton Re: Congressman Waxman (3 pages)	8/10/93	P5

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August 1993 [3]

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THE WHITE HOUSE

FAX COVER SHEET

TO: KAREN POLLITZ/JERRY KLEPNER

Phone: (___)_____

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FROM: CHRIS / JORDANA

Phone: (202) 456-2695

Pages following cover sheet = 7

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton — **August 4, 1993**
FR: Chris Jennings, Steve Edelstein
RE: Meeting with the Senate Small Business Committee
cc: Melanne, Steve, Distribution

Tomorrow you are scheduled to meet with Senator Dale Bumpers and the bipartisan membership of his Small Business Committee. This is in response to a longstanding request from the Senator for such a meeting. When you met with him individually one month ago, he had sought a meeting with his entire committee. At the time, you both concluded that, given the existing tension over the budget reconciliation, it was better to conduct a meeting with Senator Bumpers alone.

BACKGROUND:

As you know from your June meeting with him, Senator Bumpers is very concerned about the small business impact of the Administration's health reform plan. He believes it is critical to reduce the burden to the absolute extent possible. He is supportive of increasing the tax deduction for the self employed but he does not believe that is important as many other members do.

Also at that meeting, Senator Bumpers cautioned given the highly charged partisan atmosphere in the Senate, he is not convinced that any Republicans are possible but when pressed listed a dozen members including three on the Small Business Committee, Ranking Member Larry Pressler of South Dakota, Connie Mack of Florida, and John Chafee of Rhode Island. Other Republicans on the Committee include, Christopher "Kit" Bond of Missouri, who played an integral role on the Family and Medical Leave compromise for the Republicans and Conrad Burns of Montana, who has been very appreciative of the attention received to date.

The Democrats on the Committee run the spectrum politically from Paul Wellstone to Howell Heflin. However, most share the concern of the Chairman over the small business impact, particularly: Sam Nunn, Tom Harkin, Joe Lieberman, Howell Heflin, Frank Lautenberg and Herb Kohl.

It is important for you to know that Senator Pressler will hand over a letter with at least 40 Senate Republican signatures stating opposition to an employer mandate. Senator Chafee directed his staff to contact us to advise you that he succeeded in toning down the letter somewhat. He believes that the letter gives sufficient room for them to eventually sign off on some employer requirements. His staff, however, has not filled us with confidence.

Attached for your review are brief profiles of the members of the Small Business

Committee, questions from the members of the committee outlining their main areas of concern and materials from the small business notebook which you may wish to use for your presentation. As with many of the other meetings you have had over the last week, they will be interested in how financing of health reform will affect small business and our efforts to minimize the impact on these businesses and their employees.

SENATE SMALL BUSINESS COMMITTEE
August 5, 1993

DEMOCRATS:

SENATOR DALE BUMPERS (D-AR) - As Chairman of the Senate Small Business Committee, Bumpers has a particular sensitivity to small business needs. He would be an important surrogate speaker in his position as Committee Chairman, especially if he not only supports the bill but is comfortable enough to speak on its behalf. His link to small business is strong and hence he would be a valuable ally.

As you know he is also known for his great concern about children's issues. He therefore can be expected to support phasing-in coverage for children first, if such a phase-in is necessary. Senator Bumpers has adopted a wait-and-see attitude regarding health care. Going back to the last Congress, he resisted attempts to be pushed into any health care camp. It is clear, however, that a small business mandate could be hard to swallow.

Recent Developments: In his meeting with the First Lady in June, Senator Bumpers was very concerned about the small business impact of the Administration's health reform plan. He believes it is critical to reduce the burden to the absolute extent possible. He expressed his support of increasing the tax deduction for the self employed but he does not believe that is important as many other members do.

Also at that meeting, Senator Bumpers cautioned given the highly charged partisan atmosphere in the Senate, he is not convinced that any Republicans are possible.

SENATOR CARL LEVIN (D-MI) - Senator Carl Levin has served Michigan since 1978. His brother, Sander, is a Member of the House of Representatives, where he sits on the Ways and Means Committee. Along with Senator Riegle, they are protective of Michigan's auto industry, unions, and the unions' retirees. Senator Levin is concerned about cost control and particularly about the President's plan having sufficient cost control mechanisms (a chief concern of organized labor and the large industrial manufacturers of his state). He want states to have flexibility to design and implement their own cost control measures.

Senator Levin is also worried that a tax cap will be a benefits reduction (another union concern). He has also wanted to know how many people will have greater benefits than minimum benefits. Senator Levin also has rural and small business concerns. The Senator supports inclusion of good primary, preventive, hospice and home care services in the reform package. A cosponsor of HealthAmerica in the 102nd Congress, Senator Levin favors managed competition and is on record as wanting to support the Administration's plan.

In Jamestown, Levin worried about having two big tax votes in one year. He also expressed concern about reduction in benefits for those who currently have good benefits (i.e. unions).

SENATOR TOM HARKIN (D-IA) - Senator Harkin has not sponsored any reform legislation or backed any particular reform approach. He has focused instead on specific issues that will need to be components of an overall plan. He has a strong interest in all rural issues. He was recently named Co-Chair of the Senate Rural Health Care Coalition. Harkin is a leading advocate in the Senate for anything related to people with disabilities. (He has a brother who is deaf.) His sponsorship of the Americans with Disabilities Act is perhaps the major achievement of his political career. Ensuring that the plan provides access to health care, including long term care for people with disabilities, is a major concern.

Senator Harkin is especially interested in prevention; he sponsored a bill giving money to states for preventive health programs. As a member of the Labor Committee and Chairman of its Appropriations Subcommittee on Human Resources, he is a key player on public health legislation and funding. Inclusion of preventive services in the benefit package will be key as Senator Harkin opposes co-pays for these services.

SENATOR JOHN KERRY (D-MA) - Senator Kerry has represented Massachusetts since 1984. He is best known for his involvement with the POW/MIA issue. While not a major player on health policy in the Senate, Kerry does have some significant health views. He favors a managed competition approach to reform and wants to support the President. Administrative simplification and insurance reform are of particular interest to him. Kerry wants to protect the biomedical and biotechnology industry, which is a growth sector in Massachusetts. He is also concerned about the impact of managed competition on teaching hospitals, due to the high concentration of such facilities in the Boston area. Senator Kerry is a Vietnam veteran and may be sensitive to major changes in the VA. He warns that expectations are high and urges regular meetings with Senators.

SENATOR JOSEPH LIEBERMAN (D-CT) - Senator Lieberman is in his first term and is up for re-election in 1994. Generally, he is supportive of managed competition (he liked the Cooper Bill), but has a real problem with global budgets and caps. He believes, however, that the plan needs to have significant cost containment.

The Senator believes that before the plan is announced, the White House should have a process to hear people's concerns. He also thinks that it is critical to educate the public so people understand the problems with our health system, and what solutions are necessary. He's very concerned we may lose the middle class because of a big new tax. He is encouraged by what he has heard about the Administration's proposal, but has a wait and see attitude.

Senator Lieberman felt more comfortable about the process after the First Lady's presentation at Jamestown. Interestingly, he raised small business much more than insurance industry concerns. He feels that if the middle class gets more benefits, they will be willing to pay for reform.

SENATOR PAUL WELLSTONE (D-MN) - Senator Wellstone is very interested in health care reform. In March, he reintroduced his single payer bill, the Senate counterpart of the McDermott bill. Despite his strong bias toward single payer and his suspicions of managed competition, he has expressed a willingness to work with you. His strong desire for reform and his belief that we must act now make him likely to support the Administration plan. He has a strong interest in mental health and substance abuse benefits. He modified his previous bill to strengthen its mental health provisions. Other concerns include rural health, consumer choice and state flexibility (so that Minnesota might pursue a single payer option).

SENATOR HARRIS WOFFORD (D-PA) - Since his Senate race victory, which was widely attributed to his support of health care reform, Senator Wofford has actively pursued this issue in the Senate. In the last Congress, he was part of a five member working group (with Senators Daschle, Baucus, Kerrey and Bingaman) supporting a single financing state-implemented health system with a national health board approving state plans. Under the plan, employers and individuals would pay a progressive premium to a fund which would be returned to the states on a percentage basis.

That bill was called the American Health Security Act, partially because Wofford believes so strongly in the importance of the success of the Social Security system. He believes that his proposal took into account a middle road between the single payer and managed competition crowds. He believes everyone should be required to participate in the Health Alliances (no opt-outs), that the program must be state or regionally administered, and that long term care coverage is essential. He has also expressed concern over what he felt was the lack of discussion by the Administration of long term care in connection with reform.

He is working with the Democratic Policy Committee health working group and is looking at the health insurance purchasing cooperatives and how they could work. He is very intellectual and savvy about how difficult some of the concepts are for the public to comprehend. For example, he dislikes intensely the term "global budget," believing that it is too large to understand and turns people off. He believes that President Clinton and Congress must do a lot of educating on health care reform.

It has been more and more clear to the Senator that his election is tied to Health Care Reform. He will be very helpful. Language used to describe and sell the plan is very important to him. He is very appreciative that the First Lady attended his forum in

Harrisburg earlier this year. At the Senate retreat, Senator Wofford stated his support for short term cost controls. He believes that abortion should be out of health reform and does not want the federal government overriding state abortion restrictions.

SENATOR HOWELL HEFLIN (D-AL) - Senator Heflin has been noncommittal, preferring to wait for the plan and concrete numbers on how and where the money is spent before taking a position. He appears to be open to the concept of reform but will need education on the issue.

Recent Developments: Senator Heflin expressed concern about how health care reform would be financed. He likely will also have strong reservations about medical malpractice reform if it includes caps. He attended the DPC Focus Group on Malpractice with the First Lady.

SENATOR FRANK LAUTENBERG (D-NJ) - Senator Lautenberg is very concerned that health reform will hit two big industries in New Jersey: pharmaceuticals and insurance companies. This coupled with the fact that he is up for re-election in 1994 means he is skittish on certain aspects of the plans. Governor Florio's re-election effort in 1993 may also influence Senator Lautenberg's vote. He was pushed by Senator Daschle on single payer; he resisted saying he was in the managed competition mode. While nervous about employee mandates, Lautenberg wants to be part of the whole team and believes he can serve as a liaison with the business community. Lautenberg's other concerns include transportation services to help provide access to health care in rural areas and the overuse of technology.

SENATOR HERBERT KOHL (D-WI) - Senator Rockefeller believes Senator Kohl will likely support the President. Senator Kohl is one of the wealthiest members of the Senate and spent freely of his own money to win this seat. Using the slogan "Nobody's Senator But Yours," Kohl tried to portray himself in a positive light as a candidate not beholden to special interests. He is up for re-election in 1994. He does not support single payer and has not taken a position on managed competition. He is comfortable with employer mandates if coupled with adequate subsidies. Insurance companies are the second largest employer in Wisconsin, which may be a concern for him. He is a member of the Mitchell working group and members of his staff are participating on the HCTF working groups.

SENATOR CAROL MOSELEY-BRAUN (D-IL) - Senator Moseley-Braun is one of the freshman members of the Senate. She is a single payer advocate, and is somewhat skeptical of the managed competition model. The Senator believes that there should be one entity collecting revenues for the health care system, and that health care insurance providers unnecessarily duplicate services.

The Senator is particularly interested in financing mechanisms, and would have supported Senator Wellstone's American Health Security Act, introduced March 3, save for her reservations over his approach to funding. She is concerned by public reports of the proposed sin tax, which she feels will not be sufficient to finance health care reform. If a sin tax is not sufficient, and given the tax increases in the President's economic

proposal, the Senator is curious about what other mechanisms the Health Care Task Force is considering for revenue.

Senator Moseley-Braun is also interested in the composition and mechanism for creating a basic package of services. She is interested in seeing an increase in resources and focus on primary and preventive care. She would like to make sure that long term care is part of the reform package, and was a little concerned about signals sent during the meeting with the Congressional Black Caucus on this issue.

The Senator also feels that if managed competition is chosen as the avenue to health care reform, a mechanism should be put in place to insure that health insurance provider cooperatives have an incentive to serve consumers in urban and rural poverty areas. Additionally, the Senator is interested in a slow phase-in of veterans into an overall health reform package.

At the meeting with Democratic women Senators at Jamestown, Moseley voiced her support for the inclusion of reproductive services in the final package.

REPUBLICANS:

SENATOR LARRY PRESSLER (R-SD) - Senator Pressler is a moderate to conservative Republican who serves on the Small Business, Foreign Relations, Commerce, and Judiciary Committees, as well as the Select Committee on Aging.

Recent Developments: At the May 6 meeting with the Select Committee on Aging, he raised concerns about the cost of long-term care, specifically mentioning Alzheimers patients put into poverty by Medicaid.

CHRISTOPHER "KIT" BOND (R-MO) - The junior Senator from Missouri recently won his first re-election campaign, and is ready to continue his spirited partisanship. A former chair of the Republican Governors Association, Senator Bond has opposed a number of relatively popular initiatives, such as the Americans With Disabilities Act and the 1990 Civil Rights Act. Senator Bond currently serves on four business and money related committees - Banking, Appropriations, Budget, and Small Business.

In the 102nd Congress, Senator Bond co-sponsored a Republican health care initiative that sought a $150 billion solution to the lack of universal coverage. Bond recently introduced an administrative reform bill addressing the high cost of health care administration. It eliminates exclusions for pre-existing or expensive conditions. He believes broad health care reform is vital but recognizes the complexity of the problem.

Senator Bond was a leader of the eight Republican co-sponsors of the Family and Medical Leave Act, and also co-sponsored Senator Dole's recent bill on Medicare (S. 176), which revises Medicare rules with respect to rural and community hospitals and payment for new providers. If a moderate Republican bloc forms to negotiate with the Democrats on health reform, as it did on Family and Medical Leave, Bond could be key.

SENATOR CONNIE MACK (R-FL) - Senator Mack was a Democrat until 1979 and a Republican Member of the House of Representatives from 1982 through 1988. Mack is up for re-election in 1994 and serves on the Republican Health Care Task Force. While he remains fairly quiet on health issues, in his March 10 meeting with the First Lady, Mack asked to be more involved with the Health Care Task Force and stated his support for long-term care - but not a dollar cap. He also supports programs for early detection. Health reform may pose a difficult challenge in his re-election effort. Florida's recent state reform efforts may contribute to a pro-reform mindset in the state. He also cannot ignore the huge senior citizen communities in Florida. They will oppose any changes in Medicare or increases on wealthy seniors without corresponding increases in benefits. If the plan includes prescription drug coverage and long-term care services seniors support, his opposition could prove very costly. At the same time, he has to appease Miami's Cuban community, which will want expanded coverage for the poor and recent immigrants. Mack has switched his position on abortion and is now anti-choice.

SENATOR CONRAD BURNS (R-MT): Senator Burns is Montana's junior Senator. A former livestock fieldman and auctioneer who later set up a radio farm news network, Burns is almost a stereotypical Easterners' version of a western politician. Burns was elected in 1988, defeating incumbent John Melcher.

Senator Burns has a low key style and a conservative voting record. Although he is on the Republican Health Care Task Force and on Pryor's Aging committee, he is not very outspoken on health issues. He is a cosponsor of Senator Kassebaum's BasiCare Health Reform Bill. He is particularly supportive of the bill's rural health provisions. Burns was very pleased to have been included (at our recommendation) in the Montana health care forum you participated in with Senator Baucus and Congressman Williams.

SENATOR DIRK KEMPTHORNE (R-ID) - Senator Kempthorne is a freshman member from one of the few states that has two Republican Senators. It is not expected that he will break out of the pack and go against the Republican leadership. Kempthorne serves on the Armed Services, Environment, and Small Business Committees.

SENATOR ROBERT F. BENNETT (R-UT) - At 59, Senator Bennett is the oldest member of the Senate's freshman class, and enters having made a fortune in private industry. He currently serves on the Committees on Energy and Natural Resources, Banking, Housing, and Urban Affairs, Small Business, and the Joint Economic Committee. Senator Bennett has co-sponsored no legislation with significant health policy implications.

SENATOR JOHN CHAFEE - Senator Chafee's role in health care reform is critical. He chairs the group of 23 Republican Senators (including Minority Leader Bob Dole) who are working on a bill to rival our proposal. He comes to the reform debate with residual feelings that if not for Presidential and partisan politics in the last Congress, there was enough consensus between his and many Democrats' bills to move forward on high priority health reform proposals such as: self-employed tax deduction increase to 100 %; insurance market reform; expansion of community health centers and other health care delivery systems; and state experimentation. He is well known for his advocacy of community health centers.

Chafee favors a managed competition plan. His plan is similar to ours in the sense that he wants to set up health insurance purchasing cooperatives that offer a choice of plans. But the Chafee plan is in sharp contrast to ours because his plan would not force employers to pay for coverage, require companies to join the cooperatives, or implement price controls.

The Senator likes to be kept appraised and "consulted" on major legislation. In fact, in July in the New York Times, Chafee complained about being "left out" of the drafting of the budget plan. Chafee is adamantly opposed to employer mandates. He

has talked about this aspect being the "dividing line between Republican and Democratic approaches (to health care)." Although, in a meeting with Ira, he recognized the difficulty in providing universal coverage without the use of mandates.

SMALL BUSINESS COMMITTEE MEMBERS' CONCERNS

REGARDING HEALTH CARE REFORM AND ITS IMPACT ON SMALL BUSINESS

SENATOR LEVIN:

- *How much will preventive care be emphasized in the Administration's proposal?*
- *How will the plan ensure that small businesses have the ability to remain competitive?*

SENATOR KERRY:

- *Will small business be able to get insurance in big pools so that their rates are competitive with big business, and/or insurance that is affordable?*
- *How fast will the phase-in of universal coverage be? How much shock can the system take?*

SENATOR WELLSTONE:

- *What is the Administration's position on progressive financing vs. a flat premium regarding health coverage?*
- *How will the Administration ensure that progressive small business elements are heard from in the debate over health care reform, not just organizations that will oppose real reform?*

SENATOR WOFFORD:

- *How will emerging firms and marginally profitable firms be treated?*
- *Will farmers have to pay for health care for seasonal farm workers?*

SENATOR HEFLIN:

- *Will there be a payroll tax? If so, what is the breakdown of rates?*

SENATOR LAUTENBERG:

- *Will the plan address the issue of cost containment?*
- *How will the Administration address access to and cost of prescription drugs -- especially for senior citizens?*

SENATOR KOHL:

- *How does the Administration propose to limit the burden on small businesses imposed by any new mandate?*
- *What are the Administration's current inclinations regarding the ability of larger businesses to opt out of regional purchasing cooperatives?*

SENATOR MOSELEY-BRAUN:

- *Will there be a payroll tax imposed on all businesses? What rates are being considered and what is its estimated impact on small businesses that are not currently providing full coverage for their employees?*
- *Will large employers (with 1,000 or more employees) be able to opt out of this system and offer their own health plans? If so, small employers, the uninsured and public employees would serve as the consumer base. Wouldn't this undermine reform and potentially cause a smaller base to cover an increased share of an older, sicker and poorer population?*

SENATOR PRESSLER:

- *Does the Administration plan to include any employer mandates in its health care plan? If so, what are they?*
- *How does the Administration propose paying for its plan?*

SENATOR BOND:

- *How is the Administration going to see that mandates and payroll taxes do not have a disproportionate impact on small businesses, or discourage them from hiring new employees?*
- *What facets of an Administration plan, if any, will show an effort to foster individual responsibility and allow the states some flexibility in administering the plan?*

SENATOR MACK:

- *Will there be employer mandates, and if so, how will they be implemented?*
- *Does the Administration propose to ask for a payroll tax to pay for the reform package?*

SENATORS ATTENDING LUNCHEON

Mr. Bumpers
Mr. Levin
Mr. Harkin
Mr. Kerry
Mr. Lieberman
Mr. Wellstone
Mr. Wofford
Mr. Heflin
Mr. Lautenberg
Mr. Kohl
Ms. Moseley-Braun
Mr. Pressler
Mr. Bond
Mr. Burns
Mr. Mack
Mr. Kempthorne
Mr. Bennett
Mr. Chafee
Mrs. Hutchison

SENATORS NOT ATTENDING LUNCHEON

Mr. Nunn
Mr. Wallop
Mr. Coverdell

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Senator Rockefeller
cc: Melanne, Steve, Distribution

August 9, 1993

Tomorrow you are scheduled to meet with Senator Jay Rockefeller. He will be accompanied by Tamera Stanton, his Legislative Director, and Mary Ella Payne, his Health Legislative Assistant. In order to assure that you could see Chairman Dingell before he departed for the August recess, we had to reduce the time allocated for this meeting from two hours to one.

BACKGROUND

Senator Rockefeller has been looking forward to a substantive policy/political discussion with you for months. Last week, he had a very constructive discussion with Ira in which the chemistry appeared to be extremely positive.

During the meeting, he raised several concerns including: (1) we may be raising expectations too high; (2) that defending the concept of non-competing alliances will be difficult (although he agrees that it is the right thing to do); and (3) we should probably not start out with a proposal that caps punitive damage awards (because of the Democratic politics unless we have a good deal of Republicans and physicians groups on board from the start). He was also extremely interested in the status of our cost containment and financing discussions.

Earlier today, Senator Rockefeller joined the President in West Virginia for the budget speech. During his comments, he spoke favorably of both the President and yourself, as well as putting in a strong plug for health reform.

According to his staff, Senator Rockefeller is interested in a broad array of conversation topics. First and foremost, he wants to bring you up-to-date on the Health Project. He believes the groups are working well together and are making progress on establishing the necessary staff infrastructure for running the Fall campaign for health reform.

In addition, Senator Rockefeller has a number of high priority issues he would like to discuss beyond those discussed in his meeting with Ira and myself. He wants to know the specifics of the size of Medicare cuts the Administration is contemplating to help finance much of the reforms. (He is concerned that they may well be too deep for his liking.) The Senator would like to discuss the status of the premium financing mechanism. He would like to discuss how the reform will be phased in and how the alliances will be governed. He is also interested in discussing his belief that we must be very rigid about our definition of who is eligible to form a corporate alliance and who is not.

Lastly, he would like to conclude the meeting with some political advice, which he may or may not wish to share with you privately. In any event, you would probably be well advised to solicit his opinion on as many issues as you can. (That was the only criticism his staff said Ira did not do enough in his otherwise very successful meeting.)

TALKING POINTS

Senator Rockefeller would be extremely interested to hear you lay out the likely timetable for internal policy decisions. He would also like to know when the Congress and, in particular, himself will have the opportunity to see numbers and paper on the proposal.

Since he has looked forward to this meeting for a long time, you may wish to reiterate your desire for this to be the first of a number of meetings with Senator Rockefeller and/or his staff in August and early September.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Meeting with Chairman Rostenkowski
cc: Melanne, Steve, Distribution

August 9, 1993

Tomorrow you are scheduled to briefly meet with Congressman Rostenkowski. This meeting will be a general political discussion of the timing and process and health care reform.

Background:

Chairman Rostenkowski played a key role during the budget reconciliation. He was particularly helpful early on with the immunization provisions by keeping the funding open even though it did not ultimately go through his committee. He played a critical role on the Administration's family preservation and empowerment zone initiatives. Like Chairman Dingell, he is generally unhappy over having his deals bargained away in the Senate. However, he is unlikley to mention any of this.

As you know, the Chairman is the subject of an ongoing investigation for alleged ethics violations. It is important to note that even under a worst case scenario where he is indicted and Congressman Gibbons assumes the chair, Rostenkowski is still likely to wield significant influence behind the scenes. Members will be hesitant to go against him for fear of the consequences if he is successful in fighting the charges and resumes the chair.

TALKING POINTS:

Appreciation for his Efforts on Reconciliation: You may wish to thank the Chairman for all his help during the reconciliation process and for doing the best job possible under difficult circumstances.

Process/Timing: The Chairman will be interested in the timeline for decisionmaking on the policy, consultation with the committees, and the launch of the plan. You may wish to inquire if he and/or his staff will be available for consultation during the August Recess. In addition, you may want to tell him that you have already contacted Pete Stark's office to arrange for a meeting during the week of September 30th.

Testifying before the Committee: Chairman Rostenkowski has already invited you to testify before his committee after the plan is announced. Should he mention this, it probably would be best to thank him for the invitation while avoiding a specific commitment on testifying. If he presses, you could say that you have not had the time to talk this over yet with the President. (FYI, he apparently is planning to hold a series of full Committee hearings; one with you as the primary witness and another hearing the next day with Secretary Shalala. Following these hearings, Pete Stark's Subcommittee is expected to invite other Administration witnesses to testify on the specific provisions and cost/financing assumptions of the President's proposal.)

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FR: Chris Jennings, Steve Edelstein
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cc: Melanne, Steve, Distribution

August 9, 1993

Tomorrow you are scheduled to meet with Congressman Dingell, Chairman of the House Energy and Commerce Committee. The meeting will be a general political discussion on the timing and process of health care reform. We told his staff that you felt it would be good to touch base with the Chairman before his departure for the August recess.

BACKGROUND:

As you know, Chairman Dingell played a key role during the budget reconciliation. He was particularly helpful on the immunization provisions even though he never really liked the bill from the beginning. Like many prominent House members, he shares a general unhappiness over the budget process, particularly the fact every time they made a tough choice it was bargained away in the Senate. He is particularly contemptuous of the Byrd rule and the Senate in general.

TALKING POINTS:

Appreciation for his Efforts on Reconciliation: You may wish to thank the Chairman for all his help during the reconciliation process and for doing the best job possible under difficult circumstances.

Process/Timing: The Chairman will be interested in the timeline for decisionmaking on the policy, strategy and consultation with the committees, and the launch of the plan. You may wish to inquire if he or his staff will be available for consultation during the late August recess.

Testifying before the Committee: He may also ask about plans for the period after the unveiling speech, in particular about plans for testifying at Committee hearings. It would be best to thank him for any invitation while avoiding a specific commitment on testifying.

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As you know, the Chairman is the subject of an ongoing investigation for alleged ethics violations. It is important to note that even under a worst case scenario where he is indicted and Congressman Gibbons assumes the chair, Rostenkowski is still likely to wield significant influence behind the scenes. Members will be hesitant to go against him for fear of the consequences if he is successful in fighting the charges and resumes the chair.

TALKING POINTS:

Appreciation for his Efforts on Reconciliation: You may wish to thank the Chairman for all his help during the reconciliation process and for doing the best job possible under difficult circumstances.

Process/Timing: The Chairman will be interested in the timeline for decisionmaking on the policy, consultation with the committees, and the launch of the plan. You may wish to inquire if he and/or his staff will be available for consultation during the August Recess. In addition, you may want to tell him that you have already contacted Pete Stark's office to arrange for a meeting during the week of September 30th.

Testifying before the Committee: Chairman Rostenkowski has already invited you to testify before his committee after the plan is announced. Should he mention this, it probably would be best to thank him for the invitation while avoiding a specific commitment on testifying. If he presses, you could say that you have not had the time to talk this over yet with the President. (FYI, he apparently is planning to hold a series of full Committee hearings; one with you as the primary witness and another hearing the next day with Secretary Shalala. Following these hearings, Pete Stark's Subcommittee is expected to invite other Administration witnesses to testify on the specific provisions and cost/financing assumptions of the President's proposal.)

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Senator Rockefeller
cc: Melanne, Steve, Distribution

August 9, 1993

Tomorrow you are scheduled to meet with Senator Jay Rockefeller. He will be accompanied by Tamera Stanton, his Legislative Director, and Mary Ella Payne, his Health Legislative Assistant. In order to assure that you could see Chairman Dingell before he departed for the August recess, we had to reduce the time allocated for this meeting from two hours to one.

BACKGROUND

Senator Rockefeller has been looking forward to a substantive policy/political discussion with you for months. Last week, he had a very constructive discussion with Ira in which the chemistry appeared to be extremely positive.

During the meeting, he raised several concerns including: (1) we may be raising expectations too high; (2) that defending the concept of non-competing alliances will be difficult (although he agrees that it is the right thing to do); and (3) we should probably not start out with a proposal that caps punitive damage awards (because of the Democratic politics unless we have a good deal of Republicans and physicians groups on board from the start). He was also extremely interested in the status of our cost containment and financing discussions.

Earlier today, Senator Rockefeller joined the President in West Virginia for the budget speech. During his comments, he spoke favorably of both the President and yourself, as well as putting in a strong plug for health reform.

According to his staff, Senator Rockefeller is interested in a broad array of conversation topics. First and foremost, he wants to bring you up-to-date on the Health Project. He believes the groups are working well together and are making progress on establishing the necessary staff infrastructure for running the Fall campaign for health reform.

In addition, Senator Rockefeller has a number of high priority issues he would like to discuss beyond those discussed in his meeting with Ira and myself. He wants to know the specifics of the size of Medicare cuts the Administration is contemplating to help finance much of the reforms. (He is concerned that they may well be too deep for his liking.) The Senator would like to discuss the status of the premium financing mechanism. He would like to discuss how the reform will be phased in and how the alliances will be governed. He is also interested in discussing his belief that we must be very rigid about our definition of who is eligible to form a corporate alliance and who is not.

Lastly, he would like to conclude the meeting with some political advice, which he may or may not wish to share with you privately. In any event, you would probably be well advised to solicit his opinion on as many issues as you can. (That was the only criticism his staff said Ira did not do enough in his otherwise very successful meeting.)

TALKING POINTS

Senator Rockefeller would be extremely interested to hear you lay out the likely timetable for internal policy decisions. He would also like to know when the Congress and, in particular, himself will have the opportunity to see numbers and paper on the proposal.

Since he has looked forward to this meeting for a long time, you may wish to reiterate your desire for this to be the first of a number of meetings with Senator Rockefeller and/or his staff in August and early September.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton August 10, 1993
FR: Chris Jennings, Steve Edelstein
RE: Congressman Waxman
cc: Melanne, Steve, Lorraine, Ira, Judy, Distribution

Tomorrow you are scheduled to meet with Congressman Waxman, chairman of the Energy and Commerce subcommittee on Health and the Environment. Accompanying him will be Karen Nelson, Subcommittee Staff Director, Mike Hash and Andy Schneider.

BACKGROUND:

Of all the Committee Leadership, Congressman Waxman has been the most openly supportive of the Administrative efforts on health care reform. However, recently his confidence has been shaken. Because of the extended period of time the development of the policy has taken, the lack of detailed consultations with him and his staff and the numerous contradictory press reports, he has become more skeptical about the prospects for reform and more uncomfortable with his unabashed support for our efforts.

In addition, Congressman Waxman had major concerns about the budget deliberations. He was unhappy about the Medicare cuts, the reduction in the Earned Income Tax Credit. In addition, he was especially annoyed about the handling of the immunization bill. He never liked it but was told it was a priority by the Administration. When it encountered financing problems, he felt the Administration did not back up its initial promise to deliver a funding mechanism. All this translates into a tremendous anxiety over the health reform plan, especially for low-income people who he feels will be the first to be sacrificed if costs get too high.

Congressman Waxman has a number of specific concerns regarding the Administration's health reform efforts. His Subcommittee has jurisdiction over the Medicaid program and Medicare Part B. Waxman is especially interested in how Medicaid will be folded into the new program. His concerns include the benefit package, excessive state flexibility, and the plan to which to employer contribution is linked.

Judy Feder met with Karen Nelson last week to lay the groundwork for a productive and positive discussion. Karen reiterated Henry's concern about the low income population and his desire to understand how they are protected. A particular question was raised about whether this population would have access to the fee for service plan. Other issues raised: (1) the availability of plans in underserved areas; (2) the desirability of fully integrating Medicaid into the system and the concern that separate funding streams might be viewed as separate programs; (3) state flexibility provisions that may be to open-ended and a desire to know how the Federal guarantees will be assured at the state level; (4) cost containment and the possibility that harsh interventions might threaten access to services; and (5) a concern about caps on punitive pain and suffering damages.

TALKING POINTS:

Appreciation of Work on Reconciliation: It would be advisable to acknowledge an incredible job he did on reconciliation and what a difference his expertise and skill of his staff made. Not only did they carry the water on the Administration's provisions but they assured they were not subject to a point of order under the Byrd rule (which allows the Senate to strike provisions not directly related to deficit reduction).

Commitment to Reform: You may wish to mention how much you appreciate his longstanding commitment to reform and his steadfast support for the Administration's efforts on health reform. Discuss how much we need him and his expertise. Ask if he and his staff might be accessible during August for consultation.

Medicaid: Congressman Waxman will want to be assured that Medicaid recipients are folded into the program as quickly as possible.

Medicare: Safeguarding Medicare beneficiaries is also important to the Chairman. You may wish to stress that our plans call for Medicare to continue as a separate program. Over time, and only with strong programatic and beneficiary protections, states may have the option of folding in Medicare recipients. In addition, individual beneficiaries may have the option to receive their Medicare benefits through the plans offered by the alliance.

Benefit Package: Congressman Waxman supports a comprehensive benefits package and would oppose any effort to phase-in benefits. His concern is that, given political and fiscal pressures, you might never reach comprehensive coverage for the poor. He also will want assurances that current Medicaid benefits which are more generous than our plan will be maintained and offered as wrap-around coverage for those who are eligible.

Employer Contribution: A related concern is the plan to which the required premium contribution for employers is linked. He opposes linking it to the lowest cost plan, preferring instead to link it to the average cost plan. He fears that if you tie it to the lowest cost plan you will wind up with all poor people in that plan. The result, in his opinion, will be a two-tier system with plans for the poor and plans for the well-to-do.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Issues Regarding the Congressional Schedule (3 pages)	8/18/93	P5
002. memo	Chris Jennings to Hillary Clinton Re: Meeting with Congressman Stark (1 page)	8/31/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
August 1993 HSA

Gary Foulk

gf102

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the 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 advise 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Issues Regarding the Congressional Schedule
cc: Melanne, Steve, Distribution

August 18, 1993

Recent discussions, both internally and externally, have raised questions about certain aspects of our original Congressional Schedule of events. There are two in particular which merit your attention.

♦ **National Congressional District Health Events:** As you know, we have been engaged in ongoing discussions regarding the scheduling for these events. We had settled Sunday and Monday, September 12th and 13th as the best dates. It would allow for a local focus on the problem prior to a national "Faces of Health Care" kickoff event in DC on Wednesday, September 15th. However, it now appears that these dates may conflict with scheduled events for the Vice President's reinventing government initiative.

Alternatively, these events could be scheduled on September 17th and 18th. Under this scenario, there would still be the national kickoff event on September 15th. The drawbacks are that Friday and Saturday are traditionally bad news days and there is a great likelihood that the news on health care on the weekend prior to the President's speech will focus on leaks about the plan rather than the problem.

It certainly would not be fatal to choose the 17th and 18th. The Congressional Leadership has expressed their willingness to work with whichever dates are ultimately decided upon. However, their preference would be for the 12th and 13th if that were at all possible without interfering with the "Reinventing Government" activities. (According to the Vice President's staff, while their schedule has not been finalized, they do plan to have events on these days some of which will have a local focus which may conflict with these health care events. We are still awaiting the final scheduling decisions from the Vice President.)

The second question, raised by David Gergen, is whether we should consider if there can be an invitation to Republicans to hold similar events so this event does not appear overly partisan. We believe this is a good idea and worth pursuing with the Republican leadership. While it is unlikely they will hold many, if any, events, we would at least have the cover of having made this suggestion to them beforehand and avoid their inevitable charges that we are orchestrating purely partisan events. We have discussed this idea with the Congressional leadership staff and they have expressed no objections.

♦ **Bipartisan Health Care Workshops:** During their conversation, David Gergen informed Bob that he was concerned that the Republicans were not scheduled to participate with the Democrats. Although he acknowledged that the Republicans would get the same briefings the following day, he expressed concerns over the appearance that there were separate briefings for each party and that would open the door for partisan Republican attacks that they were being treated like stepchildren. He wondered out loud whether it would be more advisable to hold the workshops jointly on a bipartisan basis.

Logistically, taking such an approach would be much more difficult but not impossible. Senator Daschle and Majority Leader Gephardt have gone back and forth on the advisability of joint workshops. Initially, they envisioned this as a bipartisan event. However, after consideration, they had concerns about the effect of Republican participation and decided it would be best to hold these sessions separately. In the aftermath of the NGA Conference, there has been some sentiment once again to holding these jointly with Republicans and starting off on a bipartisan basis.

However, such an approach is not without complications. First and foremost, these workshops are not only a policy briefing, but a communications an political discussion. Such a briefing may not be able to be most effectively done in an environment where Republicans are present.

Second, Democrats may be afraid to ask the tough questions for fear of giving fodder to Republicans. They also might hesitate to raise questions impact on key Democratic constituencies such as unions and trial attorneys. Without being able to ask these questions, it will be hard to make them comfortable with our plan.

Third, it would be virtually impossible to hold the type of message and communications discussions that we had originally envisioned before a bipartisan collection of members. Republicans would be extremely uncomfortable with presentations and, in fact, offended by any presentations that they viewed as attempting to shape how they portray the Clinton plan. If as a result we could not hold this event, Democrats would be left virtually defenseless in their ability to sell or defend the plan.

We believe the House shares some of these concerns but are willing to follow our lead. We are scheduled to hold a conference call on Thursday with all the staff of the House and Senate Leadership to discuss these and other issues. If you have any preference, we'd appreciate your guidance. If you need to reach me you can contact me at the office at x-2645.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Congressman Stark
cc: Melanne, Steve, Lorraine

August 31, 1993

Tomorrow morning you are scheduled to have a one-on-one meeting with Pete Stark. David Abernethy, the Staff Director of the Ways and Means Subcommittee, will accompany Congressman Stark to the White House, but he and I (and perhaps Melanne and/or Steve) will sit downstairs in the reception area. (He wanted to come just in case the two of you decided to direct the staffs to do anything at the conclusion of the meeting; I said fine.)

BACKGROUND

The idea of a "no staff-principals" meeting has been endorsed by Majority Leader Gephardt, as well as the staff of the Ways and Means Committee -- (and therefore implicitly, Chairman Rostenkowski). As you know, Steve, Melanne, and I also believe it is advisable in order to clear the air about any and all concerns we have about his public criticisms of the plan and the people who are involved in developing it, as well as to hopefully establish a new and constructive working relationship with one of the most well informed health policy experts on Capitol Hill.

Whatever happens with Chairman Rostenkowski, Congressman Stark will be extremely influential in the health care debate. Regardless of how the bill is drafted, significant elements of it -- particularly with regard to Medicare -- will come under his purview. Moreover, if we find it necessary to establish a specific trust fund to hold employer/employee contributions for health care, it is very possible that the Ways and Means Committee, and certainly the Finance Committee, will have extraordinarily substantial jurisdictional responsibilities. Separate and apart from jurisdiction issues, however, the media loves to quote Pete Stark; his portrayal of the plan could well have a significant impact on the public's (and the media's) perception of the proposal.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings to Hillary Clinton Re: Update on Congressional Strategy/Developments (8 pages)	9/2/93	P5
002. memo	Chris Jennings to Hillary Clinton Re: Calls Prior to Meet the Press on Sunday (1 page)	9/3/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
September 1993 HSA [1]

Gary Foulk

gf103

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Update on Congressional Strategy/Developments
cc: Steve R., Jeff E., Melanne, Distribution

September 2, 1993

CONSULTATION SCHEDULE

Attached is the current draft of suggested Congressional consultation meetings. It has been integrated with the schedule requests from Communications, Public Liaison, and Intergovernmental Affairs, and has been designed to be limited to those meetings we believe are absolutely essential before the unveiling. These discussions will be critical to ensure that the Members feel more invested in the Health Security initiative.

HEALTH CARE WORKSHOPS AND CONGRESSIONAL BRIEFING BOOKS

Working closely with Ira and the Department of Health and Human Services, as well as the House and Senate Democratic Leadership, we are designing the structure of the Health Care Workshops scheduled to run from Sunday afternoon, September 19th through early afternoon on Tuesday, September 21st. Consistent with discussions with the Congressional leadership, we have decided to make this a totally bipartisan event in which Democrats and Republicans will have a number of opportunities to be briefed and ask questions about the plan and the rationale behind it. Attached is a preliminary draft schedule of the structure, personnel, and timing that we are currently considering. ALL BRIEFING MATERIALS FOR THE WORKSHOPS WILL BE DONE IN CONJUNCTION/COORDINATION WITH ALL HEALTH CARE MATERIALS PRODUCED BY THE ADMINISTRATION.

ANALYSIS OF HEALTH REFORM BILLS

We have prepared (and are updating) a briefing book on the similarities and differences of all previously introduced health care reform legislation with the Health Security plan. It is being prepared in a user friendly manner to make it easy for relative newcomers to health care to locate the key differences between major pieces of legislation.

COORDINATION OF LEGISLATIVE LOBBYING WITH DEPARTMENTS

Working under Steve Ricchetti, we are meeting and working with the Department of Health and Human Services and other legislative affairs divisions of Departments to coordinate and allocate a division of labor. Within this effort, we are developing a strategy of how best to deal with hearings (e.g. who will testify and when) and Committee/Caucus' Members/staff during and immediately after the unveiling of the Health Security plan.

COORDINATION OF OUTSIDE CAPITOL HILL CONGRESSIONAL EVENTS

Immediately prior to and after the unveiling of the Health Security plan, there will be an enormous demand of requests for events (some affiliated directly with Members, i.e. hearings/forums and some not) that need to politically screened to ensure that they are consistent with our high priority Members' list. We are developing a structure and a policy on how best to do this.

TITLE OF LEGISLATION

No bill can be introduced with the same name of a bill that has already been assigned a bill number in this Congress. Our current bill title matches that of the McDermott/Wellstone bill. We will be working with the Communications team to develop a new title for the bill and ensure it does not conflict with another bill title.

SCHEDULE FOR CONGRESSIONAL CONSULTATIVE MEETINGS AND BRIEFINGS

CONSULTATIVE MEETINGS:

TUESDAY, SEPTEMBER 7TH:

House Committees of Jurisdiction Staff - [1]
IM, JF
(Detailed staff-level discussions)

Senate Committees of Jurisdiction Staff - [1]
IM, JF
(Detailed staff-level discussions)

WEDNESDAY, SEPTEMBER 8TH:

Bipartisan Congressional Leadership - [1]
BC, HRC, IM, JF
Location: White House
(To brief Members and set up consultative process)
Foley
Gephardt
Michel
Mitchell
Dole

House Leadership and Chairmen of Committee of Jurisdiction - [1]
BC, HRC, IM, JF
Location: White House
(To brief Members and set up consultative process)
Foley
Gephardt
Bonior
Rostenkowski
Stark
Dingell
Waxman
Ford
Williams

Senate Leadership and Chairmen of Committees of Jurisdiction [1]
BC, HRC, IM, JF
Location: White House
(To brief Members and set up consultative process)
Mitchell
Ford
Pryor
Daschle
Moynihan
Kennedy
Rockefeller
Riegle
Mikulski
Breaux

THURSDAY, SEPTEMBER 9TH:

Congressional Republican Leadership - [1]
BC, HRC, IM, JF
Location: White House

Dole, Michel and designees

House Ways and Means Committee - [1]
HRC, IM, JF
Location: Capitol Hill
(Chairman determines attendees and whether bipartisan)

Senate Labor and Human Resources Committee - [1]
HRC, IM, JF
Location: Capitol Hill
(Bipartisan)

FRIDAY, SEPTEMBER 10TH:

Senate Finance Committee - [1]
HRC, IM, JF
Location: Capitol Hill
(Bipartisan)

House Energy and Commerce Committee - [1]
HRC, IM, JF
Location: Capitol Hill
(Chairman determines attendees and whether bipartisan)

House Education and Labor Committee - [1]
HRC, IM, JF
Location: Capitol Hill
(Chairman determines attendees and whether bipartisan)

SATURDAY, SEPTEMBER 11TH:

House Caucuses - [1]

Congressional Black Caucus - HRC, IM

Congressional Caucus on Women's Issues - HRC, JF

Congressional Hispanic Caucus - HRC, IM

SUNDAY, SEPTEMBER 12TH:

Local Health Events

MONDAY, SEPTEMBER 13TH:

Local Health Events

House Caucuses (If not held September 11)

TUESDAY, SEPTEMBER 14TH:

Conservative Democratic Forum - [1]
HRC, IM, JF
Location: Capitol Hill (Gephardt to Host)
Cooper
Andrews
Stenholm
Breaux
Boren

Single Payer Leaders - [1]
HRC, IM, JF
Location: Capitol Hill (Gephardt to Host)
McDermott and his "subcommittee"
Conyers
Wellstone

House Democratic Whip Organization - [1]
HRC, IM, JF
Location: Capitol Hill

House Republican Health Care Task Force - [1]
HRC, IM, JF
Location: Capitol Hill

U.S. Senate (Bipartisan) - [1]
HRC, IM, JF
Location: Capitol Hill

WEDNESDAY, SEPTEMBER 15:

House Caucuses (If not held September 11)

TO BE SCHEDULED:

Other Meetings with Committees as Needed - IM, JF, Other Staff
Location: Capitol Hill

Biden, Judiciary [2]	Brooks, Judiciary [2]
Rockefeller, Veterans [2]	Montgomery, Veterans [2]
Nunn, Armed Services [3]	Dellums, Armed Services [3]
Bumpers, Small Business [3]	LaFalce, Small Business [3]
Glenn, Gov'tal Affairs [2]	Clay, Post Office [2]
Inouye, Indian Affairs [3]	Miller, Natural Resources [3]
Pryor, Aging [3]	Hughes, Aging Caucus [3]

WEDNESDAY, SEPTEMBER 15TH - FRIDAY, SEPTEMBER 17TH:

Finalizing product and preparing for pre-unveiling briefings.

PRE-UNVEILING BRIEFINGS:

FRIDAY, SEPTEMBER 17TH:

House Leadership and Committees of Jurisdiction Staff
IM, JF
(Ongoing detailed discussions and to help staff prepare members for meeting with President and First Lady)

Senate Leadership and Committees of Jurisdiction Staff
IM, JF
(Ongoing detailed discussions and to help staff prepare members for meeting with President and First Lady)

Minnesota Health Care Event -
HRC
Congressman Sabo, Senator Durenberger, Senator Wellstone
St. Paul, MN

SATURDAY, SEPTEMBER 18TH:

Congressional Black Caucus Health Brain Trust - [1]
HRC
Washington, DC

SUNDAY, SEPTEMBER 19TH:

Congressional Leadership and Chairmen of Committee of Jurisdiction [1]
HRC
Location: White House

Foley	Mitchell
Gephardt	Daschle
Bonior	Ford
Hoyer	Pryor
Rostenkowski	Kennedy
Stark	Moynihan
Dingell	Rockefeller
Waxman	Riegle
Ford	Breaux
Williams	Mikulski

SUNDAY, SEPTEMBER 19TH:

Health Care Workshops - [1]
HRC, Cabinet Secretaries, IM, JF, other staff
(Detailed briefings for Members on specific topics on health care reform)

MONDAY, SEPTEMBER 20TH:

Health Care Workshops - [1]
HRC, Cabinet Secretaries, IM, JF, other staff
(Continuation of briefings for Members)

TUESDAY, SEPTEMBER 21ST:

Health Care Workshops - [1]
IM, JF, Other Staff
(Continuation of briefings for Members)

Bipartisan Congressional Leadership - [1]
BC
Foley
Gephardt
Michel
Mitchell
Dole

Congressional Staff Briefings - [1]
Health LAs
SR, JK, CJ, KP
Location: Capitol Hill

Press Secretaries
BB, KA, AL
Location: Capitol Hill

Other Meetings with Committees and Members as Needed

PRIVILEGED AND ~~CONFIDENTIAL~~

TO: Hillary Rodham Clinton September 3, 1993
FR: Chris Jennings
RE: Calls Prior to Meet the Press on Sunday

On Sunday morning, Senator Mitchell and Representatives Jim McDermott and Dick Armey are scheduled to appear on Meet the Press to discuss health care. I am concerned about the media coverage of the program. It is absolutely clear that Armey with be critical of the legislation and may attack the process as well as the substance.

In part to arm Senator Mitchell, I have forwarded a list of the Republican and bipartisan meetings that have been held on health care and copies of the letters that are being sent today from the President to Republican Leaders Dole and Michel (copies attached). I believe it is advisable to call Senator Mitchell and Representative McDermott prior to the program on Sunday so they can each say they had a call from you and to tone down what McDermott might say. He did not leave Washington happy and probably needs some stroking.

attachments

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings, Steve Edelstein to Melanne Re: Proposed Bus Trip Routes (2 pages)	9/4/93	P5
002. memo	Chris Jennings to POTUS Re: Taping with Senator Leahy at 7:00 p.m. (2 pages)	9/21/93	P5
003. memo w/attach	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Health Care Workshops (13 pages)	9/4/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
September 1993 HSA [2]

Gary Foulk

gf104

RESTRICTION CODES

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P1 National Security Classified Information [(a)(1) of the PRA]
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PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 12958 as amended, Sec. 3.2 (c)
Initials: MT Date: 8·17·05

TO: Melanne
FR: Chris and Steve
RE: Proposed bus trip routes
cc: Steve, Jeff, Ira, John

September 4, 1993

After consideration of a variety of combinations, the following three routes are the most attractive Congressional targeting options for the bus trip.* (While all three are very attractive we have listed them in order of our preference).

1. Omaha, Nebraska to Kansas City, Kansas:

   Kerrey and Exon are key swing Democrats in the Senate. In addition, Peter Hoagland represents Omaha and is an important moderate vote on the Ways and Means Committee.

   Kansas has two leading Republicans Minority Leader Dole and Nancy Kassebaum the ranking republican on the Senate Labor Committee. Kansas house members include Jim Slattery, an influential moderate vote on Energy and Commerce and Dan Glickman, also a moderate Democrat and the lead House sponsor of Kassebaum's health reform bill.

   This route has good potential to highlight the bipartisan nature of our health reform effort. In addition, it runs along the Missouri border. This allows our media coverage to penetrate into Missouri -- home of key Republicans Senators Danforth and Bond, and swing House Democrats, Danner, Skelton and Volkmer.

2. Providence, Rhode Island to Boston, Massachusetts to Burlington, Vermont

   This New England swing allows us to target key Senate Republicans -- John Chafee of Rhode Island and Jim Jeffords of Vermont. It is also an opportunity to pump up a prime ally, Senator Kennedy. Vermont also has allies Senator Leahy and Governor Dean. Ron Machtely of Rhode Island is one of our more likely moderate Republicans in the House.

   This trip ensures enthusiastic crowds all along the way.

3. Shreveport, Louisiana to Houston, Texas or Dallas, Texas

   Senators Breaux and Johnston are swing Democrats who we will important to our efforts in the Senate. In addition, if we went south from Shreveport we could hit the district of Congressman Tauzin of the Energy and Commerce Committee on the way to Houston.

East Texas has numerous influential moderate to conservative Democrats who we need to shore up including Jim Chapman, John Bryant (Energy and Commerce), Jack Brooks (Judiciary), Mike Andrews (Ways and Means), Gene Green (Education and Labor), and Charlie Wilson. If we were to head straight east to Dallas we could touch Chapman, Wilson, Martin Frost (Budget), Pete Geren, Charlie Stenholm and Bill Sarpalius

While this scenario encompasses larger media markets, the drawback is that pulling together large and enthusiastic crowds in Texas will be a difficult task.

* We rejected other traditional midwestern bu trip options because of NAFTA conflict concerns

THE WHITE HOUSE

WASHINGTON

PRIVILEGED AND ~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE MARKING Per E.O. 12958 as amended, Sec. 3.2 (c)
Initials: MJ Date: 8·17·05

September 21, 1993

TO: President Clinton
FR: Chris Jennings
RE: Taping with Senator Leahy at 7:00 p.m.
CC: Howard Paster, Susan Brophy, Steve Ricchetti

Senator Leahy has requested a taping with the President about their mutual commitment towards assuring that there be adequate state flexibility in any national health reform proposal. In short, he wants recognition of his contributions in this regard, in particular with his legislative initiatives that provide for state flexibility. (Please see below).

BACKGROUND

With rare exception, Senator Leahy has been one of our most consistently loyal and supportive Democratic Members in the Senate. He, and particularly his staff, however, frequently feel that the White House pays an inordinate amount of attention to Senator Jeffords. They believe that Senator Jeffords (who is up next year) will have to be with us more often than not just to assure his political survival. More to the point, however, Senator Leahy appears to feel we take him for granted.

With regard to health care, **Senator Leahy has worked for over three years pushing the idea that states should be given the resources and flexibility they need to move ahead with comprehensive reform.** Last year, in the face of inaction at the federal level, **he and Senator Pryor introduced the Leahy-Pryor State Care bill.** The legislation called for federal waivers and start-up funds to give states the resources they need to move ahead with reform. **The bill was endorsed by you (during the campaign) and by the NGA.**

POLITICS

For years, Senator Leahy and Senator Jeffords (and Governor Dean) have been fighting for the public spotlight in Vermont on the health care issue. During the election last year, bad blood was shed between the two Members when Senator Jeffords ran a spot for the opponent of Senator Leahy.

The First Lady has held separate meetings with both Members and held an event (with Senator Leahy and Governor Dean) at a DGA conference. Senator Leahy is somewhat concerned that, if Senator Jeffords endorses your health reform proposal (and he may well do that), the White House will focus so much attention on Jeffords that Leahy will no longer be viewed as a serious health care player.

TALKING POINTS

- Senator Leahy, your message that there must be state flexibility in any health reform bill has been heard.
- I want to personally thank you for allowing us to call on your expertise in this area.
- The concepts and intent embodied in the Leahy State Care Bill have been drawn upon extensively in the Health Security Plan.
- I look forward to working with you and your Governor, Howard Dean, who is also strongly committed to this issue, in the upcoming weeks and months to ensure that we achieve our mutual goals of universal coverage and cost containment and security for all Americans.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings, Steve Edelstein
RE: Health Care Workshops
cc: Melanne, Steve, Distribution

September 4, 1993

Based on your comments at the meeting on Thursday afternoon, we have revised the program and materials for the health care workshops. Attached for your review is a program for the workshops including leads and support staff for each presentation and an outline of each presentation. Ira has reviewed the attached and is pleased with the revisions that you and others had suggested.

PROGRAM:

We have identified a single lead presenter for each of five sections discussing a summary of the plan and its principles. Each of these was selected as a person who not only has a good understanding of the policy but who could also be effective advocates for the plan.

At a meeting of the Legislative Affairs staff including Steve Ricchetti, Jack Lew and Jerry Klepner, the consensus was that having an economic team representative at each session was important to validate the economic aspects of the health reform initiative and to clearly illustrate their support for it. However, under this proposal, the role we envision for theseir role has been scaled back from that of lead presenters to a smaller role as validator.

The rest of the personnel listed for each session is there for support and to assist with answering questions.

OUTLINE:

We have been working with HHS staff to develop each of the presentations planned for the university. The current outline reflects the main questions which will be addressed in each session and issues which will be discussed in response to those questions. Given the limited time we plan to devote to presentations in order to allow sufficient time for questions from the members, the discussion will highlight the main provisions in a summary form and not dwell on the detailed specifications of the plan.

ACTION NEEDED:

After reviewing this memo and attachments, we will need any suggestions or comments you may have so we can proceed with the development of the course materials.

HEALTH CARE WORKSHOPS

OPENING SESSION – All Attendees
(Overview of Plan, Design and Philosophy)

Main Presentation: Hillary Rodham Clinton
Remarks (3–5 Minutes Each):
Donna Shalala, Lloyd Bentsen, Robert Reich,
Ron Brown
In Attendance: Janet Reno, Jesse Brown, Leon Panetta,
Carol Rasco, Tipper Gore

GENERAL SESSION – 5 Sections
(Includes Discussion of Consumers in the New System; Cost Containment and Budgets; and Savings, Costs and Financing)

Presenters:

Session A1
Ira Magaziner, Lead

Robert Rubin, Economic Validation

Staff Support:
Gene Sperling
Rick Kronick
Phil Lee
Charlotte Hayes
Communications Staff

Session A2
Judy Feder. Lead

Leon Panetta, Economic Validation

Staff Support:
Len Nichols
Larry Levitt
Steve Ricchetti
Communications Staff

Session A3

Paul Starr, Lead

Alice Rivlin, Economic Validation

Staff Support:
- Nancy Ann Min
- Bernie Arons
- Karen Pollitz
- Communications Staff

Session A4

Ken Thorpe, Lead

Roger Altman, Economic Validation

Staff Support:
- Marina Weiss
- Walter Zelman
- Chris Jennings
- Communications Staff

Session A5

Bruce Vladeck, Lead

Laura D'Andrea Tyson, Economic Validation

Staff Support:
- Sherry Glied
- Gary Claxton
- Jerry Klepner
- Communications Staff

BREAKOUT SESSIONS -

Session B - Business in the New System

Leads: Roger Altman
Erskine Bowles, SBA

Others: Ken Thorpe,HHS
Walter Zelman
Steve Finan, Labor
Alexis Herman, OPL
Joe Stieglitz, CEA

Session C – Providers in the New System

Leads: Phil Lee, HHS
Risa Lavizzo-Mourey, HHS

Others: Helen Smits, HCFA
Karen Pollitz, HHS
Arnold Epstein
Kathy Buto
Lynn Margherio, EOP (?)

Session D – Federal/State Roles

Leads: Larry Levitt, HHS
Sally Richardson, HHS

Others: Gary Claxton, HHS
John Hart, EOP
Christine Heenan, EOP (?)
Nancy Delew, HHS (?)

Session E – Elderly and Persons with Disabilities in the New System

Leads: Judy Feder, HHS
Fernando Torres-Gil, HHS
Robyn Stone

Others: Barbara Cooper, HHS
Portia Mittleman, HHS (?)

Session F – Underserved (Rural and Urban Populations)

Leads: Lois Quam
Kristine Gebbie

Rural: Lois Quam
Denise Denton
Dena Puskin, HHS
Jeff Human, HHS
Mike Lincoln, IHS

Urban: Kristine Gebbie, HHS
Jo Ivy Buford, HHS
Claudia Baquet, HHS
Richard Veloz, HHS
Roz Lasker

OVERVIEW

What is wrong with the current system?

- Lack of Security
- Cost
- Administratively burdensome
- Quality variation
- Poor long-term care coverage
- Fraud and abuse

What are the goals of the new system?

- Create security
- Control cost
- Enhance quality
- Expand access
- Reduce administrative burdens
- Reduce fraud and abuse

What will the new system look like?

Federal/State Oversight

- Federal/State Partnership
- National Health Board
- Alliances
- Health Plans

What is a consumer choice system?

- Premiums costs are shared between employers and employees
- Consumers choose their plan
- Consumers choose their providers

How will the new system improve access for consumers?

- Universal coverage/security
- Choice/greater market power
- Benefits Package
- Quality
- Affordability
- Administratively simple
- Portability

How will cost be controlled?

- Market Forces/Competition
- Budget
- Cost-Containment
  - malpractice
  - antitrust
  - workforce changes

How will it be financed?

- Employer/employee contribution
- Private/public sector savings
- Sin taxes

BUSINESSES

What is wrong with the current system?

- Cost
- Insurance abuses (e.g. occupational redlining, medical underwriting, and experience rating)
- Administrative burden
- Increasing workers compensation costs
- Inequitable tax policy for self-employed

How will reform help small employers, their employees, and the self-employed?

- Cost control
- Workers compensation
- Insurance reform
- Larger purchasing pools
- Shared responsibility for family coverage (two earner families)
- Administrative simplification
- Full deductibility for self-employed
- Offer employees choice of plans
- Smaller contributions and subsidies

What are the responsibilities of small employers?

- Participation in regional alliances

How will reform help large employers and their employees?

- Cost control
- Workers compensation
- Insurance reform
- Retiree health cost relief
- Shared responsibility for family coverage (dual earner families)
- Administrative simplification
- Offer employees choice of plans

What are the responsibilities of large employers?

- For employers with less than 5000 employees
  - Regional alliances
- For employers with 5000 or more employees
  - Participation in corporate alliances
  - Participation in regional alliances

How will reform ensure affordability for low-wage workers and employers?

- Subsidies
- Cost containment

PROVIDERS

What is wrong with the current system?

Administrative hassles (paper work and regulatory burden)
Malpractice
Workforce (too many specialists)
Medicaid reimbursement
Fraud and abuse

How will reform help hospitals? What are the responsibilities of hospitals?

Administrative Simplification
Uncompensated care reimbursement
Academic health centers
Contracting and negotiation with health plans
Providing high quality, appropriate care

How will reform help physicians? What are the responsibilities of physicians?

Administrative Simplification
Malpractice Reform
Uncompensated care reimbursement
Contracting and negotiation with health plans
Providing high quality, appropriate care

How will reform help advanced health professionals (e.g. nurses. NPs, PAs..etc). What are the responsibilities of health professionals?

Scope of Practice
Malpractice Reform
Workforce Reform
Administrative Simplification/more time with patients
Contracting and negotiation with health plans
Providing high quality, appropriate care

What does this mean for non-traditional practitioners (chiropractors, alternative medicine...etc).

Scope of Practice
Alliance and Plan flexibility

How will reform encourage the growth of primary care practitioners?

Graduate Medical Education
National Health Service Corps expansion
Community health center expansion
Increased Medicare reimbursement

How will reform improve quality?

- Report Card
- Outcome research
- Malpractice reform
- Coordination of care
- Health plan accountability

FEDERAL AND STATE ROLES

FEDERAL ROLE UNDER THE NEW SYSTEM

What is wrong with the current system?

- Poor cost-containment efforts
- State barriers to reform
- Rising costs of public programs
- State variations in access and cost

What is the federal framework for reform?

- A new federal/state partnership
- Universal coverage
- Comprehensive benefits package
- National Health Board
- Insurance Reform

What are the responsibilities of the National Health Board?

- Benefits Package
- Budget
- Alliances
- Quality standards
- Approve state plans

What support is provided to states during transition?

- Planning grants
- Technical assistance (e.g. model laws)
- Alliance start-up funds

STATE ROLE UNDER THE NEW SYSTEM

What level of flexibility is given to states to design a system that meets their needs?

- Alliances (size, location..etc.)
- Health Plans
- Single Payor
- Medicare

What are their responsibilities?

- Budget
- Alliance
- Assure quality and coverage
- Maintenance of effort--Medicaid
- Oversee insurance reform

What steps must be taken by states to implement reform?

State plan
State statutes
Create alliances
State-federal match (for start-up)

ELDERLY AND PEOPLE WITH DISABILITIES

What is wrong with the current system?

- Elderly
  - Lack of Coverage
    - Prescription drugs
    - Long-term care
  - Instability of Retiree benefits
- People with Disabilities
  - Lack of Coverage
    - Prescription Drugs
    - Long-term care
  - Preexisting Condition Exclusions
  - Barriers to Independence/Disincentives to employment
  - Lack of Coordination of Care at a Community-based level

How will reform help the elderly?

- Prescription drugs
- Long-term care

How will reform help people with disabilities?

- Prescription drugs
- Long-term care
- Insurance Reform
- Tax incentives to obtain employment

How will reform help retirees under 65?

- Security
- Affordable coverage

What happens to Medicare under the new system?

- State opt-in
- Individual opt-in
- Medicare HMOs

What happens to Medicaid under the new system?

- The residual program

RURAL/URBAN UNDERSERVED

What is wrong with the current system?

- Uneven distribution of providers
- High cost of care
- Varying quality
- Poor access
  - financial barriers
  - non-financial barriers
- Insufficient infrastructure
- Vulnerable populations

How will reform assure access to care for underserved and vulnerable populations?

- Guaranteed coverage through reform
- Expand resources
- Coordinate categorical programs
- Assure participation of Essential Community Providers
- Develop resources
  - providers
  - facilitates
  - network
- Expansion of selected services

How will reform address the rural health problems?

- Health Alliances
- Infrastructure
- Workforce
  - training
  - incentives to practice in rural areas
- Network development
- Essential Community Providers
- Medicaid
- Community Health Centers/Migrant Health Centers

How will reform address the urban health problems?

- Health Alliances
- Infrastructure
- Workforce
- Essential Community Providers
- Medicaid
- Network development
- Community Health Centers/Migrant Health Centers

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings to Hillary Clinton Re: Meeting with Ways and Means Committee (36 pages)	9/20/93	P5
002. memo	Chris Jennings to POTUS Re: Taping with Senator Leahy at 7:00 p.m. (2 pages)	9/21/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
September 1993 HSA [3]

Gary Foulk

gf105

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the 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 advise 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

House ways + means com

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Ways and Means Committee
cc: Melanne, Steve, Distribution

September 20, 1993

Tomorrow you are scheduled to meet with Chairman Rostenkowski and the entire bipartisan membership of the House Ways and Means Committee. The ranking member of the Committee is Congressman Bill Archer of Texas. His is not expected to be extremely helpful to our cause in the health reform debate.

BACKGROUND:

Under any scenario, the Ways and Means Committee will play a major role in the analysis of the President's health reform proposal and the development of the eventual legislation that will make it through the Congress. Obviously, they have Medicare and revenue raising jurisdiction. The Committee will claim significant additional jurisdiction because of a belief that it is the primary if not the sole financing source for health reform. You may well be hit up by members of the Committee on the jurisdictional issue just as you were with the Senate Finance Committee.

As you know, Chairman Rostenkowski continues to push for you to make your first appearance before the Congress following the President's address at a hearing before his committee. The order of your appearances at congressional hearings as of this writing has yet to be determined. As time goes by, it becomes more difficult and complicated. For example, today, Donald Shriber, on behalf of Chairman Dingell, raised major objections to the concept that a Ways and Means hearing would be held before an Energy and Commerce hearing. Because Energy and Commerce and perhaps other committees require at least a week's notice to members before hearings, we must make a decision on the schedule by Wednesday at the latest and perhaps by tomorrow. If we choose not to go to Ways and Means first, we will not notify them before your visit -- if we can avoid it, they will not know one way or the other about our decision by the time you see them unless it will make them happy.

SUGGESTED TALKING POINTS:

- Acknowledge the Ways and Means Committee and its members as critical players in health care reform.

- Outline in brief the summary of the plan, particularly focusing on the financing aspects and Medicare (we will have either Ira Magaziner or Judy Feder available as backup).

- Advise the members how we have benefited from their expertise thus far and look forward to working with them as we continue in the reform process.

attachment – profiles of Committee members

WAYS AND MEANS COMMITTEE DEMOCRATS
September 20, 1993

DEMOCRATS:

CHAIRMAN DAN ROSTENKOWSKI (D-IL): The delicacy of the situation of the Chairman of the Ways and Means Committee is clear.

Chairman Rostenkowswki's primary concern in the upcoming health reform debate will be protecting the jurisdiction of his committee rather than the details of the plan itself. Lately, the Chairman has been one of the members asking that the Admistration is careful to take the time to ensure the plan is done right

CONGRESSMAN SAM GIBBONS (D-FL): While he is not a major player on health care issues, Congressman Gibbons wants to be helpful. He has long advocated extending Medicare coverage to all Americans.

Recent Developments: On July 21, Gibbons told the Congressional Monitor: "I have told the Clintons that I would be ready to support wHatever system the President comes up with."

CONGRESSMAN J.J. (JAKE) PICKLE (D-TX): Congressman Pickle has been a key player on major issues, including Social Security, on Ways and Means.

Pickle opposes global budgets or caps because he believes they undermine competitiveness. He is close to the AMA and the hospital lobby. Pickle worked with Congressman Stark in an unsuccessful attempt to rescue Medicare Catastrophic Act. Pickle rarely bucks his Chairman, however he is on Gephardt's list as a "no". It would be tough to get Pickle's vote.

CONGRESSMAN CHARLES RANGEL (D-NY): Many observers believe Congressman Rangel will be the next chairman of the Ways and Means Committee.

The Congressman is very concerned about urban health and access for the poor. He is very influential with the Congressional Black Caucus. He has co-sponsored a number of single payer bills, including the McDermott bill. In addition, he has also supported the Matsui and Slattery bills which are designed to expand coverage to women and children. Rangel belives that drug abuse is one of the causes for spiraling health care. He is expected to be with the Administration, as long as the CBC is happy, and there is no overly regressive tax hike.

CONGRESSMAN PETE STARK (D-CA): Despite frequent consultation with him, the Chairman the Health Subcommittee has been critical of the Administration's health care reform efforts from the start - and that posture seems unlikely to change in the foreseeable future.

Recent Development: Congressman Stark has been publicly highly critical of the plan, particularly proposed cuts in Medicare and Medicaid. Among his more noteworthy comments: September 9 in *USA Today*: I am unwilling to risk the destruction of Medicare just so the President can claim a pyrhhic victory;"
September 10 (*Washington Times*): "If you think limiting premiums will control costs, show me what you're smoking;"
September 13 (*USA Today*): "We're not going to make huge changes. People are quite comfortable and the seniors love Medicare."

At a staff briefing on September 13, Stark asked whether our plan would mean the elimination of Medicare. When told that we envisioned a single-tier system, he wondered what happened to the Medicare payroll taxes. He was not satisfied with Ken Thorpe's response and expressed concern over the whole scenario in a subsequent conversation with John Rother of AARP.

CONGRESSMAN ANDREW JACOBS (D-IN): Congressman Jacobs is one of the most individualistic Members of Congress. He is the former Chairman of the Health Subcommittee and the present Chairman of the Social Security Subcommittee. Jacobs is strongly anti-smoking, and has advocated the doubling of the cigarette tax and earmarking the funds to pay for health care. It is hard to predict how he will vote on health care reform.

CONGRESSMAN HAROLD E. FORD (D-TN): Recently vindicated on criminal charges that have occupied much of his time over the past two Congresses, Representative Ford has now returned to the Ways and Means Committee as the new Chairman of the Human Resources Subcommittee. It will have jurisdiction over the Administration's welfare reform. As such he will be interested in the link between reform of health care and of welfare.

Ford is supportive of health reform but not wedded to any particular approach. He has voiced concern for the elderly in the past.

CONGRESSMAN ROBERT MATSUI (D-CA): On health issues, Congressman Matsui supports phasing in coverage for pregnant women and children first and introduced legislation to achieve this goal in the last Congress.. He supports sin taxes and can push them on the committee. He also supports a tax cap, like the one recommended by the Jackson Hole group because he believes it is necessary to force employees to make real choices. In addition, Congressman Matsui supports global caps to control costs. He tends to follow the Chairman on major issues. As the First Lady knows, Reps. Matsui and Kennelly requested the August 6 meeting to discuss strategy.

CONGRESSWOMAN BARBARA KENNELLY (D-CT): Despite concerns about her Connecticut insurance constituency, Rep. Kennelly wants health care reform as shown by her request to meetin in August to discuss strategy. She can be a valuable ally both with the Congressional Women's Caucus and the House's Old Guard.

CONGRESSMAN WILLIAM (BILL) COYNE (D-PA): Congressman Coyne is a fomer member of the Ways and Means Health Subcommittee. Coyne is a team play who prefers to work behind the scenes.

Congressman Coyne supports the single payer model, having co-sponsored the Russo bill and Stark-Gephardt in the 102nd Congress. In addition, he is particularly concerned about the effect of Medicare cuts on beneficiaries. Coyne likes and respects Congressman Stark and supported him when serving on the Health Subcommittee.

CONGRESSMAN MICHAEL ANDREWS (D-TX): Congressman Andrews is close to Chairman Rostenkowski, as well as Secretary Bentsen and Rep. Stenholm. Andrews is considered a bellweather for his delegation.

He is a new member of the Health Subcommittee and a supportor of managed competition. In the last Congress, he co-sponsored with Rep. Cooper the Conservative Democratic Forum's bill based on that approach. Andrews supports a tax cap on benefits and the use of excise taxes, particularly cigarette taxes, to fund health care reform. He is nervous about cost controls and the impact they might have on managed competition. His other concerns include children, immunization, low-income women, and rural areas. Congressman Andrews district is known as the health capitol of the world. He is close to the Texas AMA.

Most of the people involved with legislative targeting on the Health Care Task Force believe his vote is a long-shot. In fact, Majority Leader Gephardt lists him as a "no." However, Lorainne Miller believes he is within reach, that he wants health reform, and if the President releases a very moderate package, he might be with us. He is indebted to women's groups who were helpful to him in his last election.
Andrews has attended a number of meetings with the First Lady and with Ira.

Recent Developments: In public statements, Andrews has been very supportive of tobacco excise taxes. On September 9, he told Knight-Ridder: "I honestly believe we cannot have health care reform without a cigarette tax."

CONGRESSMAN SANDER LEVIN (D-MI): Congressman Levin was one of the Subcommittee members who asked to meet in August to discuss strategy.

Levin will be influenced mainly by unions and retirees. In addition, Levin has a large teaching hospital in his district and he actively defends GME payments. Levin is a quiet

member, but helpful behind the scenes. He helped draft the Stark-Gephardt compromise in the 102nd and was one of the last defenders of the Medicare Catastrophic Act.

Congressman Levin believes that consumers want fraud, waste and abuse cut before they will be willing to pay more. He believes that the Administration can cut costs by using home care and living wills. He thinks that Congress will need plenty of Presidential leadership and warns about over-promising on health care.

CONGRESSMAN BEN CARDIN (D-MD): As you know from the August strategy meeting, Congressman Cardin is one of the Subcommittee members who wants to see health care moved in this Congress. Cardin is close to Rostenkowski and urged the Admistration to undertake widespread consultation before introduction of the final bill.

Maryland is a state out in front on cost control initiatives and Cardin will be protective of its initiatives. Cardin has advocated an all-payer rate setting system like the one he helped create when he was in the state legislature. In addition, he believes the federal government should adopt national standards and use the states for implementation. He is concerned about primary care and about hospitals closing.

Recent Developments: On September 9, Cardin told the *New York Times*: "If Medicare and Medicaid are subjected to the same type of cost controls as the private sector, then its fair." That same day, he said in the *Congressional Record*: "President Clinton's committment to national health reform gives this Congress an opportunity to address the real needs of American families."

CONGRESSMAN JIM MCDERMOTT (D-WA): Congressman McDermott's key role in health care reform both on the Ways and Means Committee and in the full House is clear. His influence goes well beyond his being one of only two physicians in the House, his closeness to Speaker Foley, and his lead role as a single payer advocate. He is well-liked by his colleagues and at home in Seattle. His support of the final package will be key and every effort is being made to gain that support.

At the June 23 meeting with the First Lady and a number of his cosponsors, Rep. McDermott listed these principles as essential: universal access; one system; cost controls; innercity and rural coverage; free choice of provider with one card; tied to residency, not employment; and portability. He should be happy that the package is being introduced this month as he advocated.

Recent Developments: On August 30 McDermott told *USA Today* that health care would be the "toughest battle of the last 75 years." After the White House briefing on September 3, he was critical of the White House for insufficient dollar figures on Medicare and Medicaid and told the *AP* that without those there would be "wholesale Democratic defections." McDermott continues to push his single payer approach; however, on September 7th, he told the *Boston Globe*, "It's not my bill versus the President's. I will keep working for a

compromise I can live with." On September 10, he told the *L.A. Times*, regarding the consultation process, "There has been very little in the way of tangible evidence that they have really paid attention." On September 13, he told *USA Today*, "It'll come to the Congress, and then we'll shape it to what we think the American people can accept." In a September 14 *AP* story, McDermott said: In reality, a lot of poeple won't be able to afford the money it will cost to have their own choice of physician so they will be forced into a (plan) that restricts their choice."

CONGRESSMAN GERALD KLECZKA (D-WI): Congressman Kleczka votes dependably with the Democratic Leadership and his committee chairman. He is a smoker and takes money from the tobacco lobby. Kleczka was a cosponsor of Congressman Russo's single payer bill in the 102nd Congress but Congressman Gephardt considers him a reliable vote for the Administration's health reform initiative.

CONGRESSMAN JOHN LEWIS (D-GA): Congressman Lewis is a freshman member of the Ways and Means committee and serves on it's Subcommittee on Health. He is also a Chief Deputy Whip.

On health issues, he is concerned about access to substance abuse and mental health programs, and about long-term care. Congressman Lewis strongly opposes tobacco and favors raising excise taxes. He has attended a number of meetings with the First Lady. Although he has lots of hospitals in his district, he will be a trooper. Lewis believes the American people are out on front on this issue. He will be influential with the Congressional Black Caucus and shares the caucus' positions.

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CONGRESSMAN RICK SANTORUM (R-PA): Serving his second term, Congressman Santorum has already built a reputation as a bomb-thrower, and one who may get bored with the House. If so, he could run against Sen. Wofford in 1994.

Regarding health care, Santorum has said he believes companies should give employees $3,000 cash for deductibles and let insurance cover the rest. If health care reform is not enacted in this Congress, Santorum would use that issue against Wofford.

CONGRESSMAN DAVE CAMP (R-MI): Congressman Camp is a conservative member of the Ways and Means Committee and is on the Human Resources Subcommittee. Camp's health care views are not known but he has voted against abortion funding.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Ways and Means Committee
cc: Melanne, Steve, Distribution

September 20, 1993

Tomorrow you are scheduled to meet with Chairman Rostenkowski and the entire bipartisan membership of the House Ways and Means Committee. The ranking member of the Committee is Congressman Bill Archer of Texas. His is not expected to be extremely helpful to our cause in the health reform debate.

BACKGROUND:

Under any scenario, the Ways and Means Committee will play a major role in the analysis of the President's health reform proposal and the development of the eventual legislation that will make it through the Congress. Obviously, they have Medicare and revenue raising jurisdiction. The Committee will claim significant additional jurisdiction because of a belief that it is the primary if not the sole financing source for health reform. You may well be hit up by members of the Committee on the jurisdictional issue just as you were with the Senate Finance Committee.

As you know, Chairman Rostenkowski continues to push for you to make your first appearance before the Congress following the President's address at a hearing before his committee. The order of your appearances at congressional hearings as of this writing has yet to be determined. As time goes by, it becomes more difficult and complicated. For example, today, Donald Shriber, on behalf of Chairman Dingell, raised major objections to the concept that a Ways and Means hearing would be held before an Energy and Commerce hearing. Because Energy and Commerce and perhaps other committees require at least a week's notice to members before hearings, we must make a decision on the schedule by Wednesday at the latest and perhaps by tomorrow. If we choose not to go to Ways and Means first, we will not notify them before your visit -- if we can avoid it, they will not know one way or the other about our decision by the time you see them unless it will make them happy.

SUGGESTED TALKING POINTS:

- Acknowledge the Ways and Means Committee and its members as critical players in health care reform.

- Outline in brief the summary of the plan, particularly focusing on the financing aspects and Medicare (we will have either Ira Magaziner or Judy Feder available as backup).

- Advise the members how we have benefited from their expertise thus far and look forward to working with them as we continue in the reform process.

attachment - profiles of Committee members

WAYS AND MEANS COMMITTEE DEMOCRATS
September 20, 1993

DEMOCRATS:

CHAIRMAN DAN ROSTENKOWSKI (D-IL): The delicacy of the situation of the Chairman of the Ways and Means Committee is clear.

Chairman Rostenkowswki's primary concern in the upcoming health reform debate will be protecting the jurisdiction of his committee rather than the details of the plan itself. Lately, the Chairman has been one of the members asking that the Admistration is careful to take the time to ensure the plan is done right

CONGRESSMAN SAM GIBBONS (D-FL): While he is not a major player on health care issues, Congressman Gibbons wants to be helpful. He has long advocated extending Medicare coverage to all Americans.

Recent Developments: On July 21, Gibbons told the Congressional Monitor: "I have told the Clintons that I would be ready to support wHatever system the President comes up with."

CONGRESSMAN J.J. (JAKE) PICKLE (D-TX): Congressman Pickle has been a key player on major issues, including Social Security, on Ways and Means.

Pickle opposes global budgets or caps because he believes they undermine competitiveness. He is close to the AMA and the hospital lobby. Pickle worked with Congressman Stark in an unsuccessful attempt to rescue Medicare Catastrophic Act. Pickle rarely bucks his Chairman, however he is on Gephardt's list as a "no". It would be tough to get Pickle's vote.

CONGRESSMAN CHARLES RANGEL (D-NY): Many observers believe Congressman Rangel will be the next chairman of the Ways and Means Committee.

The Congressman is very concerned about urban health and access for the poor. He is very influential with the Congressional Black Caucus. He has co-sponsored a number of single payer bills, including the McDermott bill. In addition, he has also supported the Matsui and Slattery bills which are designed to expand coverage to women and children. Rangel belives that drug abuse is one of the causes for spiraling health care. He is expected to be with the Administration, as long as the CBC is happy, and there is no overly regressive tax hike.

CONGRESSMAN PETE STARK (D-CA): Despite frequent consultation with him, the Chairman the Health Subcommittee has been critical of the Administration's health care reform efforts from the start – and that posture seems unlikely to change in the foreseeable future.

Recent Development: Congressman Stark has been publicly highly critical of the plan, particularly proposed cuts in Medicare and Medicaid. Among his more noteworthy comments: September 9 in *USA Today*: I am unwilling to risk the destruction of Medicare just so the President can claim a pyrhhic victory;"
September 10 (*Washington Times*): "If you think limiting premiums will control costs, show me what you're smoking;"
September 13 (*USA Today*): "We're not going to make huge changes. People are quite comfortable and the seniors love Medicare."

At a staff briefing on September 13, Stark asked whether our plan would mean the elimination of Medicare. When told that we envisioned a single-tier system, he wondered what happened to the Medicare payroll taxes. He was not satisfied with Ken Thorpe's response and expressed concern over the whole scenario in a subsequent conversation with John Rother of AARP.

CONGRESSMAN ANDREW JACOBS (D-IN): Congressman Jacobs is one of the most individualistic Members of Congress. He is the former Chairman of the Health Subcommittee and the present Chairman of the Social Security Subcommittee. Jacobs is strongly anti-smoking, and has advocated the doubling of the cigarette tax and earmarking the funds to pay for health care. It is hard to predict how he will vote on health care reform.

CONGRESSMAN HAROLD E. FORD (D-TN): Recently vindicated on criminal charges that have occupied much of his time over the past two Congresses, Representative Ford has now returned to the Ways and Means Committee as the new Chairman of the Human Resources Subcommittee. It will have jurisdiction over the Administration's welfare reform. As such he will be interested in the link between reform of health care and of welfare.

Ford is supportive of health reform but not wedded to any particular approach. He has voiced concern for the elderly in the past.

CONGRESSMAN ROBERT MATSUI (D-CA): On health issues, Congressman Matsui supports phasing in coverage for pregnant women and children first and introduced legislation to achieve this goal in the last Congress. He supports sin taxes and can push them on the committee. He also supports a tax cap, like the one recommended by the Jackson Hole group because he believes it is necessary to force employees to make real choices. In addition, Congressman Matsui supports global caps to control costs. He tends to follow the Chairman on major issues. As the First Lady knows, Reps. Matsui and Kennelly requested the August 6 meeting to discuss strategy.

CONGRESSWOMAN BARBARA KENNELLY (D-CT): Despite concerns about her Connecticut insurance constituency, Rep. Kennelly wants health care reform as shown by her request to meetin in August to discuss strategy. She can be a valuable ally both with the Congressional Women's Caucus and the House's Old Guard.

CONGRESSMAN WILLIAM (BILL) COYNE (D-PA): Congressman Coyne is a fomer member of the Ways and Means Health Subcommittee. Coyne is a team play who prefers to work behind the scenes.

Congressman Coyne supports the single payer model, having co-sponsored the Russo bill and Stark-Gephardt in the 102nd Congress. In addition, he is particularly concerned about the effect of Medicare cuts on beneficiaries. Coyne likes and respects Congressman Stark and supported him when serving on the Health Subcommittee.

CONGRESSMAN MICHAEL ANDREWS (D-TX): Congressman Andrews is close to Chairman Rostenkowski, as well as Secretary Bentsen and Rep. Stenholm. Andrews is considered a bellweather for his delegation.

He is a new member of the Health Subcommittee and a supportor of managed competition. In the last Congress, he co-sponsored with Rep. Cooper the Conservative Democratic Forum's bill based on that approach. Andrews supports a tax cap on benefits and the use of excise taxes, particularly cigarette taxes, to fund health care reform. He is nervous about cost controls and the impact they might have on managed competition. His other concerns include children, immunization, low-income women, and rural areas. Congressman Andrews district is known as the health capitol of the world. He is close to the Texas AMA.

Most of the people involved with legislative targeting on the Health Care Task Force believe his vote is a long-shot. In fact, Majority Leader Gephardt lists him as a "no." However, Lorainne Miller believes he is within reach, that he wants health reform, and if the President releases a very moderate package, he might be with us. He is indebted to women's groups who were helpful to him in his last election.
Andrews has attended a number of meetings with the First Lady and with Ira.

Recent Developments: In public statements, Andrews has been very supportive of tobacco excise taxes. On September 9, he told Knight-Ridder: "I honestly believe we cannot have health care reform without a cigarette tax."

CONGRESSMAN SANDER LEVIN (D-MI): Congressman Levin was one of the Subcommittee members who asked to meet in August to discuss strategy.

Levin will be influenced mainly by unions and retirees. In addition, Levin has a large teaching hospital in his district and he actively defends GME payments. Levin is a quiet

member, but helpful behind the scenes. He helped draft the Stark-Gephardt compromise in the 102nd and was one of the last defenders of the Medicare Catastrophic Act.

Congressman Levin believes that consumers want fraud, waste and abuse cut before they will be willing to pay more. He believes that the Administration can cut costs by using home care and living wills. He thinks that Congress will need plenty of Presidential leadership and warns about over-promising on health care.

CONGRESSMAN BEN CARDIN (D-MD): As you know from the August strategy meeting, Congressman Cardin is one of the Subcommittee members who wants to see health care moved in this Congress. Cardin is close to Rostenkowski and urged the Admistration to undertake widespread consultation before introduction of the final bill.

Maryland is a state out in front on cost control initiatives and Cardin will be protective of its initiatives. Cardin has advocated an all-payer rate setting system like the one he helped create when he was in the state legislature. In addition, he believes the federal government should adopt national standards and use the states for implementation. He is concerned about primary care and about hospitals closing.

Recent Developments: On September 9, Cardin told the *New York Times*: "If Medicare and Medicaid are subjected to the same type of cost controls as the private sector, then its fair." That same day, he said in the *Congressional Record*: "President Clinton's committment to national health reform gives this Congress an opportunity to address the real needs of American families."

CONGRESSMAN JIM MCDERMOTT (D-WA): Congressman McDermott's key role in health care reform both on the Ways and Means Committee and in the full House is clear. His influence goes well beyond his being one of only two physicians in the House, his closeness to Speaker Foley, and his lead role as a single payer advocate. He is well-liked by his colleagues and at home in Seattle. His support of the final package will be key and every effort is being made to gain that support.

At the June 23 meeting with the First Lady and a number of his cosponsors, Rep. McDermott listed these principles as essential: universal access; one system; cost controls; innercity and rural coverage; free choice of provider with one card; tied to residency, not employment; and portability. He should be happy that the package is being introduced this month as he advocated.

Recent Developments: On August 30 McDermott told *USA Today* that health care would be the "toughest battle of the last 75 years." After the White House briefing on September 3, he was critical of the White House for insufficient dollar figures on Medicare and Medicaid and told the *AP* that without those there would be "wholesale Democratic defections." McDermott continues to push his single payer approach; however, on September 7th, he told the *Boston Globe*, "It's not my bill versus the President's. I will keep working for a

compromise I can live with." On September 10, he told the *L.A. Times*, regarding the consultation process, "There has been very little in the way of tangible evidence that they have really paid attention." On September 13, he told *USA Today*, "It'll come to the Congress, and then we'll shape it to what we think the American people can accept." In a September 14 *AP* story, McDermott said: In reality, a lot of poeple won't be able to afford the money it will cost to have their own choice of physician so they will be forced into a (plan) that restricts their choice."

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CONGRESSMAN RICK SANTORUM (R-PA): Serving his second term, Congressman Santorum has already built a reputation as a bomb-thrower, and one who may get bored with the House. If so, he could run against Sen. Wofford in 1994.

Regarding health care, Santorum has said he believes companies should give employees $3,000 cash for deductibles and let insurance cover the rest. If health care reform is not enacted in this Congress, Santorum would use that issue against Wofford.

CONGRESSMAN DAVE CAMP (R-MI): Congressman Camp is a conservative member of the Ways and Means Committee and is on the Human Resources Subcommittee. Camp's health care views are not known but he has voted against abortion funding.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meeting with Ways and Means Committee
cc: Melanne, Steve, Distribution

September 20, 1993

Tomorrow you are scheduled to meet with Chairman Rostenkowski and the entire bipartisan membership of the House Ways and Means Committee. The ranking member of the Committee is Congressman Bill Archer of Texas. His is not expected to be extremely helpful to our cause in the health reform debate.

BACKGROUND:

Under any scenario, the Ways and Means Committee will play a major role in the analysis of the President's health reform proposal and the development of the eventual legislation that will make it through the Congress. Obviously, they have Medicare and revenue raising jurisdiction. The Committee will claim significant additional jurisdiction because of a belief that it is the primary if not the sole financing source for health reform. You may well be hit up by members of the Committee on the jurisdictional issue just as you were with the Senate Finance Committee.

As you know, Chairman Rostenkowski continues to push for you to make your first appearance before the Congress following the President's address at a hearing before his committee. The order of your appearances at congressional hearings as of this writing has yet to be determined. As time goes by, it becomes more difficult and complicated. For example, today, Donald Shriber, on behalf of Chairman Dingell, raised major objections to the concept that a Ways and Means hearing would be held before an Energy and Commerce hearing. Because Energy and Commerce and perhaps other committees require at least a week's notice to members before hearings, we must make a decision on the schedule by Wednesday at the latest and perhaps by tomorrow. If we choose not to go to Ways and Means first, we will not notify them before your visit -- if we can avoid it, they will not know one way or the other about our decision by the time you see them unless it will make them happy.

SUGGESTED TALKING POINTS:

- Acknowledge the Ways and Means Committee and its members as critical players in health care reform.

- Outline in brief the summary of the plan, particularly focusing on the financing aspects and Medicare (we will have either Ira Magaziner or Judy Feder available as backup).

- Advise the members how we have benefited from their expertise thus far and look forward to working with them as we continue in the reform process.

attachment – profiles of Committee members

WAYS AND MEANS COMMITTEE DEMOCRATS
September 20, 1993

DEMOCRATS:

CHAIRMAN DAN ROSTENKOWSKI (D-IL): The delicacy of the situation of the Chairman of the Ways and Means Committee is clear.

Chairman Rostenkowswki's primary concern in the upcoming health reform debate will be protecting the jurisdiction of his committee rather than the details of the plan itself. Lately, the Chairman has been one of the members asking that the Admistration is careful to take the time to ensure the plan is done right

CONGRESSMAN SAM GIBBONS (D-FL): While he is not a major player on health care issues, Congressman Gibbons wants to be helpful. He has long advocated extending Medicare coverage to all Americans.

Recent Developments: On July 21, Gibbons told the Congressional Monitor: "I have told the Clintons that I would be ready to support wHatever system the President comes up with."

CONGRESSMAN J.J. (JAKE) PICKLE (D-TX): Congressman Pickle has been a key player on major issues, including Social Security, on Ways and Means.

Pickle opposes global budgets or caps because he believes they undermine competitiveness. He is close to the AMA and the hospital lobby. Pickle worked with Congressman Stark in an unsuccessful attempt to rescue Medicare Catastrophic Act. Pickle rarely bucks his Chairman, however he is on Gephardt's list as a "no". It would be tough to get Pickle's vote.

CONGRESSMAN CHARLES RANGEL (D-NY): Many observers believe Congressman Rangel will be the next chairman of the Ways and Means Committee.

The Congressman is very concerned about urban health and access for the poor. He is very influential with the Congressional Black Caucus. He has co-sponsored a number of single payer bills, including the McDermott bill. In addition, he has also supported the Matsui and Slattery bills which are designed to expand coverage to women and children. Rangel belives that drug abuse is one of the causes for spiraling health care. He is expected to be with the Administration, as long as the CBC is happy, and there is no overly regressive tax hike.

CONGRESSMAN PETE STARK (D-CA): Despite frequent consultation with him, the Chairman the Health Subcommittee has been critical of the Administration's health care reform efforts from the start - and that posture seems unlikely to change in the foreseeable future.

Recent Development: Congressman Stark has been publicly highly critical of the plan, particularly proposed cuts in Medicare and Medicaid. Among his more noteworthy comments: September 9 in *USA Today*: I am unwilling to risk the destruction of Medicare just so the President can claim a pyrhhic victory;"
September 10 (*Washington Times*): "If you think limiting premiums will control costs, show me what you're smoking;"
September 13 (*USA Today*): "We're not going to make huge changes. People are quite comfortable and the seniors love Medicare."

At a staff briefing on September 13, Stark asked whether our plan would mean the elimination of Medicare. When told that we envisioned a single-tier system, he wondered what happened to the Medicare payroll taxes. He was not satisfied with Ken Thorpe's response and expressed concern over the whole scenario in a subsequent conversation with John Rother of AARP.

CONGRESSMAN ANDREW JACOBS (D-IN): Congressman Jacobs is one of the most individualistic Members of Congress. He is the former Chairman of the Health Subcommittee and the present Chairman of the Social Security Subcommittee. Jacobs is strongly anti-smoking, and has advocated the doubling of the cigarette tax and earmarking the funds to pay for health care. It is hard to predict how he will vote on health care reform.

CONGRESSMAN HAROLD E. FORD (D-TN): Recently vindicated on criminal charges that have occupied much of his time over the past two Congresses, Representative Ford has now returned to the Ways and Means Committee as the new Chairman of the Human Resources Subcommittee. It will have jurisdiction over the Administration's welfare reform. As such he will be interested in the link between reform of health care and of welfare.

Ford is supportive of health reform but not wedded to any particular approach. He has voiced concern for the elderly in the past.

CONGRESSMAN ROBERT MATSUI (D-CA): On health issues, Congressman Matsui supports phasing in coverage for pregnant women and children first and introduced legislation to achieve this goal in the last Congress. He supports sin taxes and can push them on the committee. He also supports a tax cap, like the one recommended by the Jackson Hole group because he believes it is necessary to force employees to make real choices. In addition, Congressman Matsui supports global caps to control costs. He tends to follow the Chairman on major issues. As the First Lady knows, Reps. Matsui and Kennelly requested the August 6 meeting to discuss strategy.

CONGRESSWOMAN BARBARA KENNELLY (D-CT): Despite concerns about her Connecticut insurance constituency, Rep. Kennelly wants health care reform as shown by her request to meetin in August to discuss strategy. She can be a valuable ally both with the Congressional Women's Caucus and the House's Old Guard.

CONGRESSMAN WILLIAM (BILL) COYNE (D-PA): Congressman Coyne is a fomer member of the Ways and Means Health Subcommittee. Coyne is a team play who prefers to work behind the scenes.

Congressman Coyne supports the single payer model, having co-sponsored the Russo bill and Stark-Gephardt in the 102nd Congress. In addition, he is particularly concerned about the effect of Medicare cuts on beneficiaries. Coyne likes and respects Congressman Stark and supported him when serving on the Health Subcommittee.

CONGRESSMAN MICHAEL ANDREWS (D-TX): Congressman Andrews is close to Chairman Rostenkowski, as well as Secretary Bentsen and Rep. Stenholm. Andrews is considered a bellweather for his delegation.

He is a new member of the Health Subcommittee and a supportor of managed competition. In the last Congress, he co-sponsored with Rep. Cooper the Conservative Democratic Forum's bill based on that approach. Andrews supports a tax cap on benefits and the use of excise taxes, particularly cigarette taxes, to fund health care reform. He is nervous about cost controls and the impact they might have on managed competition. His other concerns include children, immunization, low-income women, and rural areas. Congressman Andrews district is known as the health capitol of the world. He is close to the Texas AMA.

Most of the people involved with legislative targeting on the Health Care Task Force believe his vote is a long-shot. In fact, Majority Leader Gephardt lists him as a "no." However, Lorainne Miller believes he is within reach, that he wants health reform, and if the President releases a very moderate package, he might be with us. He is indebted to women's groups who were helpful to him in his last election.
Andrews has attended a number of meetings with the First Lady and with Ira.

Recent Developments: In public statements, Andrews has been very supportive of tobacco excise taxes. On September 9, he told Knight-Ridder: "I honestly believe we cannot have health care reform without a cigarette tax."

CONGRESSMAN SANDER LEVIN (D-MI): Congressman Levin was one of the Subcommittee members who asked to meet in August to discuss strategy.

Levin will be influenced mainly by unions and retirees. In addition, Levin has a large teaching hospital in his district and he actively defends GME payments. Levin is a quiet

member, but helpful behind the scenes. He helped draft the Stark-Gephardt compromise in the 102nd and was one of the last defenders of the Medicare Catastrophic Act.

Congressman Levin believes that consumers want fraud, waste and abuse cut before they will be willing to pay more. He believes that the Administration can cut costs by using home care and living wills. He thinks that Congress will need plenty of Presidential leadership and warns about over-promising on health care.

CONGRESSMAN BEN CARDIN (D-MD): As you know from the August strategy meeting, Congressman Cardin is one of the Subcommittee members who wants to see health care moved in this Congress. Cardin is close to Rostenkowski and urged the Admistration to undertake widespread consultation before introduction of the final bill.

Maryland is a state out in front on cost control initiatives and Cardin will be protective of its initiatives. Cardin has advocated an all-payer rate setting system like the one he helped create when he was in the state legislature. In addition, he believes the federal government should adopt national standards and use the states for implementation. He is concerned about primary care and about hospitals closing.

Recent Developments: On September 9, Cardin told the *New York Times*: "If Medicare and Medicaid are subjected to the same type of cost controls as the private sector, then its fair." That same day, he said in the *Congressional Record*: "President Clinton's committment to national health reform gives this Congress an opportunity to address the real needs of American families."

CONGRESSMAN JIM MCDERMOTT (D-WA): Congressman McDermott's key role in health care reform both on the Ways and Means Committee and in the full House is clear. His influence goes well beyond his being one of only two physicians in the House, his closeness to Speaker Foley, and his lead role as a single payer advocate. He is well-liked by his colleagues and at home in Seattle. His support of the final package will be key and every effort is being made to gain that support.

At the June 23 meeting with the First Lady and a number of his cosponsors, Rep. McDermott listed these principles as essential: universal access; one system; cost controls; innercity and rural coverage; free choice of provider with one card; tied to residency, not employment; and portability. He should be happy that the package is being introduced this month as he advocated.

Recent Developments: On August 30 McDermott told *USA Today* that health care would be the "toughest battle of the last 75 years." After the White House briefing on September 3, he was critical of the White House for insufficient dollar figures on Medicare and Medicaid and told the *AP* that without those there would be "wholesale Democratic defections." McDermott continues to push his single payer approach; however, on September 7th, he told the *Boston Globe*, "It's not my bill versus the President's. I will keep working for a

compromise I can live with." On September 10, he told the *L.A. Times*, regarding the consultation process, "There has been very little in the way of tangible evidence that they have really paid attention." On September 13, he told *USA Today*, "It'll come to the Congress, and then we'll shape it to what we think the American people can accept." In a September 14 *AP* story, McDermott said: In reality, a lot of poeple won't be able to afford the money it will cost to have their own choice of physician so they will be forced into a (plan) that restricts their choice."

CONGRESSMAN GERALD KLECZKA (D-WI): Congressman Kleczka votes dependably with the Democratic Leadership and his committee chairman. He is a smoker and takes money from the tobacco lobby. Kleczka was a cosponsor of Congressman Russo's single payer bill in the 102nd Congress but Congressman Gephardt considers him a reliable vote for the Administration's health reform initiative.

CONGRESSMAN JOHN LEWIS (D-GA): Congressman Lewis is a freshman member of the Ways and Means committee and serves on it's Subcommittee on Health. He is also a Chief Deputy Whip.

On health issues, he is concerned about access to substance abuse and mental health programs, and about long-term care. Congressman Lewis strongly opposes tobacco and favors raising excise taxes. He has attended a number of meetings with the First Lady. Although he has lots of hospitals in his district, he will be a trooper. Lewis believes the American people are out on front on this issue. He will be influential with the Congressional Black Caucus and shares the caucus' positions.

CONGRESSMAN LEWIS PAYNE (D-VA): Congressman Payne represents Southern Virginia where his constituents include several thousand tobacco farmers. He is very conservative and is a member of the Conservative Democratic Forum, the Rural Health Care Coalition, and the Mainstream Forum.

He is a consistent supporter of abortion rights and civil rights but voted against a minimum wage increase and the family and medical leave act. If he supports the President, he will do so on his own and not due to pressure from the Chairman or the Leadership.

CONGRESSMAN RICHARD NEAL (D-MA): Congressman Neal attended the August stategy session regarding the Subcommittee. He is said to be close to the leadership and to Congressman Moakley. Neal opposed the 1990 budget summit. He is thought of as fairly liberal.

However, he has voted against federal funding for abortions, even in the case of rape or incest.

CONGRESSMAN PETER HOAGLAND (D-NE): A recent appointee to Ways and Means, Congressman Hoagland is considered a moderate Democrat. He is also a member of the Mainstream Forum and the Rural Health Care Coalition. His desire to meet with the First Lady in August to discuss Subcomittee stategy may indicate that he will be more upfront in supporting health care reform than is his usual manner.

Hoagland has voted in favor of abortion rights. He has a number of hospitals in his district. Hoagland attended a meeting you had with the Ways and Means members on March 17th. Health legislation he has introduced this term includes bills to: expand home health services and providing annual preventive examinations under Medicare; establish a demonstration project to reduce medical costs through sharing of medical facilities and resources; simplify medical claims forms; and require hospitals to provide information to parents of newborn children on immunization.

CONGRESSMAN MICHAEL MCNULTY (D-NY): The Democratic Leadership considers McNulty a reliable vote for the administration's health reform plan. In the last Congress, McNulty cosponsored comprehensive universal access reform bills including Congressman Russo's single payer bill. McNulty will want substance abuse and mental illnesses covered in the benefit package.

CONGRESSMAN MIKE KOPETSKI (D-OR): Congressman Kopetski has expressed concerns that the Administration's benefit package would not be as generous as those included in current union contracts. The First Lady is strongly recommended to advise Congressman Kopetski of the President's plan to deal with current collective bargaining agreements. In addition, Kopetski chairs the House mental health working group and will press for parity for mental health benefits with coverage for physical ailments. He wants the President's plan to be comprehensive and include tort reform. Despite his specific concerns, Congressman Kopetski is expected to vote for the Administration's health reform proposal.

CONGRESSMAN WILLIAM JEFFERSON (D-LA): As a former malpractice attorney, Congressman Jefferson will be very sensitive to the changes in malpractice laws. He urged the President to be cautious regarding capping malpractice awards amnd wanted a negligence standard instead. Unless the Congressional Black Caucus is in rebellion, Jefferson should be okay.

CONGRESSMAN BILL BREWSTER (D-OK): Congressman Brewster is a conservative and a member of both the Mainstream Forum and the Conservative Democratic Forum. He is close to Reps. Montgomery, Peterson, and Stenholm.

A licensed pharmacist, he is one of five health professionals in the Congress. Congressman Brewster is concerned about the ongoing funding for health reform. He believes the revenue base must be strong and permanent, and he wonders whether sin taxes will be sufficient. He

will be a strong supporter of rural health reform and primary care. In addition, he urges that the President's plan endorse utilization review. Brewster likes global budgets.

CONGRESSMAN MEL REYNOLDS (D-IL): Congressman Reynolds is the only Democratic freshman to earn a seat on the Ways and Means Committee. He is from Chicago and said to be good friends with Rostenkowski. His staff has passed on information that his grandmother, who he was very close to, died as a result of not having health insurance and being denied service at the closest hospital.

As the First Lady knows from her meetings with him, Congressman Reynolds was a gunshot victim during his campaign and supports doubling the excise tax on firearms and earmarking that money for hospitals with high numbers of trauma cases.

REPUBLICANS

CONGRESSMAN BILL ARCHER (R-TX): The ranking Republican on the Ways and Means Committeehas a congenial relationship with Chairman Rostenkowski.

Archer serves on the Republican Task Force on Health. He led the crusade to repeal the Medicare Catastrophic law. One of his sons is a Ob/Gyn MD. Archer is firmly anti-choice. In the 102nd Congress he introduced legislation to reform the health care libility system and cosponsored bills to reform health insurance market and contain health care costs and to establish medical savings accounts. He has not sponsored any health care reform legislation in this Congress.

CONGRESSMAN PHIL CRANE (R-IL): The second ranking Republican on the Ways and Means Committee, Congressman Crane is one of the most conservative Members of Congress. No longer a powerful conservative voice, however, there is some question as to whether or not Crane will run again.

While Crane's position on Ways and Means could be influential, he is not. He is strongly anti-abortion. His other health care views are not known.

CONGRESSMAN BILL THOMAS (R-CA) - The Ranking Republican on the Subcommittee, Congressman Thomas is an assertive partisan who wants Republicans to offer clear alternatives to Democratic policies. A close friend of Rep. Gingrich, Thomas is also an ally of the National Federation of Independent Business.

Thomas serves on the Republican Task Force on Health. In February he wrote to the President outlining his concerns about health care, particularly his doubts about the benefits of cost controls. He supported expanded coverage, particularly for low-income families. He hoped that quality health care in rural and large urban areas and long-term health care addressed.

Thomas outlined his steps for reallocating federal resources to improve health care, reducing health care delivery costs while increasing availability, and enhancing the role of the consumer in health care.

Thomas attended the February Republican meeting with the First Lady and has also attended the breakfast meetings with Ira. Thomas has voted for reproductive rights.

CONGRESSMAN CLAY SHAW JR. (R-FL): Congressman Shaw voted to Catastrophic Care in 1989. He has been an ally of Congressman Stenholm. The Democrats are trying to recruit Anthony Shriver to run against Shaw in 1994.

While Shaw's specific health care views are not known, he has voted against abortion funding.

CONGRESSMAN DON SUNDQUIST (R-TN): Congressman Sundquist chairs the Republican Study Group and has been rumored to be interested in running for governor of Tennessee. He has one of the most conservative voting records in the House.

Sundquist's general health care views are not known. He believes in government downsizing and is concerned about matters affecting rural areas. In this Congress, he is a cosponsor of Michel's Health Care Reform Act and of legislation to improve the efficiency and accountability of Medicare. He has voted against reproductive rights.

CONGRESSWOMAN NANCY JOHNSON (R-CT) - Congresswoman Johnson has used her seat on the Health Subcommittee to focus on Medicare, health, and child care. Johnson is a strong supporter of outcomes research. She does not see insurance reform as the key to cost control. She seems to be leaning toward requiring the individual to obtain health care coverage. Her husband is an oncologist, and she has said repeatedly that doctors are not the cause of the country's health care ills.

Johnson is a White House target. At the June 14 dinner with the First Lady at Rep. Kasich's home, Johnson stated that cost controls in the private sector are more advanced than in the government. She also expressed her worry that HIPPICs would be too big.

CONGRESSMAN JIM BUNNING (R-KY): Congressman Bunning, a former professional baseball pitcher, is now part of Rep. Gingrich's hard-hitting conservative team. Bunning is a member of both Ways and Means and Budget.

While Bunning's health care views are not known, he is a strong protector of Social Security recipients and is anti-abortion.

CONGRESSMAN FRED GRANDY (R-IA): Congressman Grandy is considered one of the ablest of the younger generation of House Republicans. Grandy left the Education and Labor Committee to serve on Ways and Means. He calls himself a "knee-jerk moderate" many believe he will run for the Senate at some point. Although Grandy voted against Family and Medical Leave, he remains a White House target on health care.

Grandy is a member of the Health Subcommittee. He is regularly allied with business and against labor interests. He has expressed concern about the need for increased funding for immunizations. He believes too much money is spent in the last months of life and is concerned about coverage for self-employed individuals. He is an abortion opponent. In this Congress he has sponsored a bill to provide basic group health care benefits, and cosponsored Rep. Michel's health care reform bill and Rostenkowski's Medicare improvement program.

Grandy attended the February Republican meeting with the First Lady and attending Ira's breakfast meetings.

CONGRESSMAN AMO HOUGHTON (R-NY): Congressman Houghton is a new member of the Ways and Means Committee and one of the few House members to vote against repeal of catastropic. In this Congress he has introduced HR 196 -a comprehensive health care reform bill. With support from his wife and sister, he has voted pro-choice. Houghton attended the Republic breakfasts with Ira and is considered a priority target by Congressman Bonior.

CONGRESSMAN WALLY HERGER (R-CA): A new member of the Ways and Means Committee, Congressman Herger adds another solidly conservative voice. His health care views are not known but he has voted against abortion funding.

CONGRESSMAN JIM MCCRERY (R-LA): Congressman McCrery the Republican Task Force on Health and the Wednesday Group. He is said to be supportive of the Heritage Foundation's tax credit proposal for health care. McCrery opposes abortion except to save the life of the woman.

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THE WHITE HOUSE

WASHINGTON

PRIVILEGED AND ~~CONFIDENTIAL~~

September 21, 1993

TO: President Clinton
FR: Chris Jennings
RE: Taping with Senator Leahy at 7:00 p.m.
CC: Howard Paster, Susan Brophy, Steve Ricchetti

Senator Leahy has requested a taping with the President about their mutual commitment towards assuring that there be adequate state flexibility in any national health reform proposal. In short, he wants recognition of his contributions in this regard, in particular with his legislative initiatives that provide for state flexibility. (Please see below).

BACKGROUND

With rare exception, Senator Leahy has been one of our most consistently loyal and supportive Democratic Members in the Senate. He, and particularly his staff, however, frequently feel that the White House pays an inordinate amount of attention to Senator Jeffords. They believe that Senator Jeffords (who is up next year) will have to be with us more often than not just to assure his political survival. More to the point, however, Senator Leahy appears to feel we take him for granted.

With regard to health care, **Senator Leahy has worked for over three years pushing the idea that states should be given the resources and flexibility they need to move ahead with comprehensive reform.** Last year, in the face of inaction at the federal level, **he and Senator Pryor introduced the Leahy-Pryor State Care bill.** The legislation called for federal waivers and start-up funds to give states the resources they need to move ahead with reform. **The bill was endorsed by you (during the campaign) and by the NGA.**

POLITICS

For years, Senator Leahy and Senator Jeffords (and Governor Dean) have been fighting for the public spotlight in Vermont on the health care issue. During the election last year, bad blood was shed between the two Members when Senator Jeffords ran a spot for the opponent of Senator Leahy.

The First Lady has held separate meetings with both Members and held an event (with Senator Leahy and Governor Dean) at a DGA conference. Senator Leahy is somewhat concerned that, if Senator Jeffords endorses your health reform proposal (and he may well do that), the White House will focus so much attention on Jeffords that Leahy will no longer be viewed as a serious health care player.

TALKING POINTS

- Senator Leahy, your message that there must be state flexibility in any health reform bill has been heard.
- I want to personally thank you for allowing us to call on your expertise in this area.
- The concepts and intent embodied in the Leahy State Care Bill have been drawn upon extensively in the Health Security Plan.
- I look forward to working with you and your Governor, Howard Dean, who is also strongly committed to this issue, in the upcoming weeks and months to ensure that we achieve our mutual goals of universal coverage and cost containment and security for all Americans.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Hillary Clinton Re: Meetings with Congressman Cooper and Senator Breaux (2 pages)	9/22/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
September 1993 HSA [5]

Gary Foulk

gf106

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the 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 advise 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]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

PRIVILEGED AND ~~CONFIDENTIAL~~

TO: Hillary Rodham Clinton September 22, 1993
FR: Chris Jennings
RE: Meeting with Congressman Cooper and Senator Breaux
CC: Melanne, Steve, Distribution

Tomorrow you are scheduled to meet with Congressman Cooper and Senator Breaux. As you know, this is the meeting that we have tried to schedule for a number of weeks and both Members are pleased that we were able to set it before the President introduces the legislation.

BACKGROUND

The latest update we have received on the likelihood that Cooper will be introducing his managed competition bill is that it appears he wants to introduce it next week or the week after. Congressman Michael Andrews' staff (his chief cosponsor) indicated that they would be sending up a letter today or tomorrow indicating their intention to introduce the bill. Based on the conversation, it appeared as though the letter would be very strongly written and quite critical of the Health Security Plan. I asked Andrews' staff to do all they could to tone down any unnecessarily confrontational rhetoric. I said I thought it would be counterproductive for all parties. Dave Kendall seemed to agree. As of this writing, we have yet to receive any such communication.

Senator Breaux's office continues to appear to be wavering as to whether to introduce the companion bill in the Senate. However, he believes that it may prove beneficial to introduce an initiative to serve as a marker for the upcoming negotiations. Interestingly, we have just learned that Senator Boren will not introduce the Senate companion bill; it appears he does not want to again antagonize the White House.

Senator Breaux's office indicates that he is more likely than not to introduce the bill. His primary concerns are that (1) he believes the alliance structures are too regulatory, (2) he believes that the premium caps are too close to price controls, and (3) he believes in general that our package may be too complex and controversial to get through the Congress. He is of the opinion that we may want to downsize our goals and pass those provisions for which there is consensus.

GOALS OF MEETING

- To placate Breaux's and in particular Cooper's desire to have more input on the development of the President's proposal.

- To offer additional consultative opportunities in the next two weeks **at the staff level** (Ira, et al).

- To urge both Members to not be overly negative in public in criticizing the President's plan and to offer the same in return from the White House as it relates to their plan.

- To succeed in convincing Breaux to not introduce the Senate companion legislation by illustrating our sincere willingness and desire to work with them (in the absence of that achievement, to at least ensure that he downplays the introduction of his legislation and highlights his desire to work with the Administration in crafting an acceptable compromise).

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Mike Lux to Hillary Clinton, Ira Magaziner Re: Coalition Building Strategy Around Key Components Of Our Plan (4 pages)	9/30/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number:

FOLDER TITLE:
September 1993 HSA [6]

Gary Foulk

gf107

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

September 30, 1993

MEMORANDUM TO HILLARY RODHAM CLINTON, IRA MAGAZINER, DELIVERY ROOM

From: Mike Lux

Re: **Coalition Building Strategy Around Key Components Of Our Plan**

In our Tuesday war room strategy discussion on where do we go from here, we talked about the need to build a strategy to coordinate each of the issue areas where there will be major battles both legislatively and in public opinion. I volunteered to take charge of this project, and Jeff Eller is graciously allowing me to take on all this work. In this memo, I will lay out how I think we should structure our strategy around the major issues.

There seems to be consensus both among White House staff and external allies that there are 5 major issue areas that will dominate the legislative and public opinion debate over this plan:

1. Employer mandate
2. Global budget/cost controls
3. Overall financing
4. Size and structure of health alliances
5. 'New' benefits: prescription drugs, long term care, mental health

All of these 5 issue areas have the following in common:

* from a policy perspective, they are major and central features of our plan
* the political coalitions, both supportive and negative, are already clearly formed and beginning to work both Congress and public opinion
* In all these areas, the way we have formulated our plan is vital to at least one (and usually more) of them are extremely important constituency. (In other words if the new benefits get stripped we lose the seniors, etc.)

It has been my contention that given the political and policy delicacy of not only these issues in and of themselves, but also their importance to the passage of the overall plan, that we need to be very pro-active about the on-going monitoring of these issues. We can't afford, for example, to cut a deal in any of these areas

without thinking through it's effect on the overall plan and coalition. At the same time, we can't afford to win decisively on one issue if it keeps us from winning the votes we need overall. There is also enormous political delicacy in that we need to get the political coalition working with us on key issues excited and organized to help us, knowing all the while that there will come a time when we probably will have to strike some kind of compromise on that issue.

I have thought about several ways of structuring this work. I originally thought of having on-going staff teams assigned to each of these issue areas, but I think that has two big problems: first, our limited staff is already stretched so thin; second, it's crucial that the give and play on these issues be closely coordinated. My idea therefore is to set up one coordinating policy/political team to be the monitor for where we are on each of these issues, but in addition to have one issue specialist designated as the point person for each issue. The coordinating team would consist of myself, Melanne, and one senior staffer each from congressional relations, communications, and policy. (John Hart would obviously be welcome as well depending on how much Governors and other state/local officials are interested in these issues: that's your call, John.) The 5 policy "point people" would be a resource for the coordinating team, as well as for Ira and Mrs. Clinton. I think we should meet a couple of times a week, and be on call if need be as legislative action gets more intense. Ira would join us whenever his schedule permits, or at especially crucial periods, but in general whatever overall senior policy person he designates to be part of the overall team would represent him.

If this plan makes sense to people, I will start holding these coordinating team' meetings next week. If people have other ideas on structure (or if someone thinks the entire proposal needs to be rethought), please let me know.

Additional thoughts

1. I have attached a very rough chart on where I think the political coalitions lie with each of these issues. If people have questions or suggestions about it, contact me.

2. On the myriad of other issues that are parts of this plan, I would suggest a somewhat more passive approach, at least in terms of our inside game if not rhetorically. I argue this because I don't see them as at the heart of the plan policy wise, and because I think we lose far more then we gain politically by making a big political stand on a side issue. My attitude is that we had to take a stand on all of these side issues as part of the package, but we shouldn't lose a lot of blood over any of them.

Groups Generally Supportive Of Our Position	Major Opponents
Employer mandates	
AFL-CIO	National Fed. of Independent Businesses
National Education Association	National Restaurant Association
Consumers/Single payers	
Blue Cross/Blue Shield Association	
American Medical Association	
American Hospital Association	
American Association of Retired Persons	
National Leadership Coalition for Health Reform	
Big business allies	
American Nurses Association	
Other provider groups (absent for-profit hospitals)	
Children's advocates	
Global Budget/Premium Cap	
Single payer groups	Providers
Labor	Insurers
Some big business allies	
Seniors	
Children's advocates	
Size and Structure of Health Alliances	
Labor	Some providers
Single payers	American Hospital Association
American Academy of Physicians	Chamber of Commerce
Children's advocates	

Long Term Care/Prescription Drugs/Mental Health Benefits

Seniors
Consumers/Single payers
Labor
Women's advocates
Children's advocates

Deficit hawks
Much of business community
National Assn. of Manufacturers

Financing

Some business
Labor
Some consumer groups

Insurance
Providers
Some senior groups
Tobacco companies

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings to Hillary Clinton Re: Calls to Senators (partial) (6 pages)	10/17/93	P5, b(6)
002. memo	Chris Jennings to Hillary Clinton Re: Senator Daschle's Likely Senate Cosponsorship List (2 pages)	10/18/93	P5
003. memo	Chris Jennings to Hillary Clinton Re: Chairman Moynihan, Liz Moynihan/Finance Committee Staff Director (1 page)	10/18/93	P5
004. memo	Chris Jennings to Hillary Clinton Re: Senator Bob Kerrey (2 pages)	10/19/93	P5
005. memo	Chris Jennings to Hillary Clinton House CoSponsorship Update and Requested Call List (7 pages)	10/24/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
October 1993 HSA [1]

gf108

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Calls to Senators
cc: Melanne, Steve, Ira, Jack, Distribution

October 17, 1993

Following up our conversation about the Daschle/House-Senate Leadership staff meeting, the following is the Senate Chairmen "to call" list. Besides each Member is a small background piece and some suggested themes to stress. We will have a similar list from the House early next week. (I don't have home phone numbers; the White House signal operator should be able to reach Members though.)

GENERAL APPROACH TO CONVERSATIONS WITH ALL MEMBERS

In general, you will be asking each Member to be your key, lead sponsors of the legislation -- along with Majority Leader Mitchell. You will be also asking them (with the exception of Senator Moynihan) to sign up their Committee Democrats to be original cosponsors of the legislation.

During your conversations, you should probably stress the theme that this legislation will change and cosponsorship by them (or the Members we are asking the Chairmen to "whip" on board for us) means that they are (1) standing with the President in support of his commitment to get a comprehensive health reform bill enacted in this Congress and (2) that they agree with the general political and philosophic underpinnings of the legislation.

We should always state that we do not believe a Member cosponsoring the President's legislative proposal does not mean he or she agrees with every word, comma and period of the current proposal. It also does not mean that they do not have every right and responsibility to modify it through the legislative process to make the proposal as strong as possible. In fact, you should stress, that you are looking forward to their inevitable future contributions -- just as you have welcomed, appreciated and benefited from their past recommendations and suggestions.

Lastly, other than dealing with the Mitchell, Moynihan, Kennedy order of cosponsorship issue (see below), do NOT get involved with promising order of cosponsors on the bill. That is the job and responsibility of the Majority Leader, and it is one great pain.

THE MEMBERS LIST:

1. **CHAIRMAN MOYNIHAN, SENATE FINANCE COMMITTEE.**
On repeated occasions, he has stated that it is his intention to introduce the Administration's health reform legislation. (Senator Mitchell has made it clear that it is he who will be the lead sponsor of the legislation). You can get around this somewhat touchy issue by telling the Chairman how appreciative and honored that Senator Mitchell, Senator Moynihan and Senator Kennedy will be the lead sponsors. (And, yes, I have cleared this order through Kennedy's staff -- Nick Littlefield; we all agree the most important thing is to get Moynihan on board.)

   Senator Moynihan's office did receive your letter last week, which responded to the out-year economic assumptions issue. It is unclear whether the Chairman has read it yet. I can't find a copy of the final signed letter that went out, but I have attached an earlier draft of it for your use.

   I would avoid discussing the New York Medicaid issue. I need to talk with you in some detail about that first. If it comes up, you can say we are in the middle of some detailed discussions with his office (Paul Offner primarily) and the State of New York. You can also say that you believe we can work something out this week, as we have tentatively scheduled a number of meetings. The last point you may want to at least plant in his head is that, regardless of our current discussions, the State of New York is going to have its current spending on Medicaid reduced by billions of dollars -- upwards of $10 billion over 5 years -- under even our current proposal.

   Lastly, you probably should not ask Senator Moynihan to sign up cosponosors for the bill. He almost never does that for even his own bills. If we get him on board as an original sponsor, we should be very grateful and satisfied for that not so simple outcome. You should tell him, however, that we are going to try to get as many cosponsors as possible and ask him his advice on how we can accomplish this. (If he offers to do something, fine, but don't worry if does not; we have Senators' Mitchell, Pryor, Rockefeller, Riegle, and Daschle on that Committee and they can do the job for us.)

2. **CHAIRMAN KENNEDY, SENATE LABOR AND HUMAN RESOURCES.** There is nothing to worry about here. He is already geared up to go out and get Members on board. Senator Kennedy will be our greatest advocate. In fact, Nick Littlefield believes a call from you at this point isn't even necessary. I believe, however, out of courtesy and because it is the right thing to do, you should call him up to get his latest advice and counsel.

Interestingly, Nick Littlefield (optimist of optimists) was not filled with the same amount of confidence that Senator Daschle was on Friday about how easy it will be to get 25-30 cosponsors. (This is based on how difficult it was to get cosponsors two years ago for the Mitchell-Kennedy-Rockefeller "HEALTH AMERICA" legislation).

The environment has definitely changed, but I tend to agree that nothing is as ever as easy as you hope it might be in the Senate. You may wish to get a sense about how confident Senator Kennedy is on the cosponsorship issue.

You can tell the White House operator that Senator Kennedy can be reached at (b)(6) at his house at the Cape at supper time (between 6:00 and 9:00).

3. **CHAIRMAN JIM SASSER, SENATE BUDGET COMMITTEE.** Senator Sasser is on board and wants to do everything he can do to help us out. You still need to ask for his cosponsorship and whatever assistance he can in getting Members of the Budget Committee on board. Since budget and finance issues are always the primary roadblocks to health reform, you can tell him how important you feel it will be to have all or most of his Democratic Members on board early.

Senator Sasser may well be very concerned about the Post story today and what our latest read is on CBO's handling of this issue. (FYI, his staff has been VERY INVOLVED with us on meetings with CBO and has been extremely helpful to us; you may wish to thank him). He may also want to talk to us about other budget act implications.

In the past, however, Senator Sasser has been most concerned about our inability to get out our message out, as well as how well our opponents have been able to get out their's. He believes we need to get out on T.V., both paid and non-paid, and that we must do a much better job of spinning the argument in favor of our strengths and towards our opponents weaknesses. You certainly can say he is preaching to the crowd, but ask him for his advice on how we can do better.

4. **CHAIRMAN BIDEN, SENATOR JUDICIARY COMMITTEE.** Although he has not been active in the health care debate throughout much of his career, he has indicated a great desire to become involved in recent months. Obviously, because of his Committee's jurisdiction, he is particularly interested in anti-trust and medical malpractice issues. He will want to hold hearings as soon as possible on his issues in order to be helpful; he may also ask you to testify. To protect your sanity and preserve your strength, I would advise against making any commitment at this point.

   At heart, of course, Senator Biden, is a "pol." He may talk to you about his feelings about any tax cap component; he believes the Republicans will run away from that as soon as they understand what it means. He may also tell you that you can trust no Republican because, at heart, they have no interest in helping this President. The only way you can convince Senator Biden otherwise is to tell him that you believe that we must set up an environment in which they are afraid of voting no.

   I would advise telling Senator Biden how important you believe it is for him to be an original cosponsor. Tell him that provisions will change, but that you think that he will be generally satisfied with the approach we have taken on the issues he cares most about. (He'll like our malpractice approach; he may have concerns with anti-trust issues if we go too far towards the desires of the physicians' groups.) **Most importantly, if you think he is at all hesitating coming on board, invite him to come in early this week to discuss any and all substantive interests/concerns he may have. It may well be a good idea anyway, since you have not had much personal, one-on-one time with him and he, like all Members, need this attention. You can spend time with him "plotting" how to get cosponsors off of his Committee. He'd love that.**

5. **SENATOR JOHN GLENN, GOVERNMENTAL AFFAIRS COMMITTEE.** Like Senator Biden, you have not spent very much one-on-one time with Senator Glenn. He will want to be there for you, and has so far been giving off very positive signals. Depending on his tone during your conversation, you may wish to hold off on asking for his cosponsorship (and his help with others) until after you have had a chance to talk to him one-on-one. Melanne and I believe you should invite him in early this week.

   His primary jurisdiction will be that of Federal Employees. His Subcommittee Chairman on this issue is David Pryor. Senator Glenn and his staff will want to make sure, however, that he is not taken for granted.

6. **CHAIRMAN ROCKEFELLER, VETERANS AFFAIRS COMMITTEE.** He is our biggest fan and supporter in the Senate and will do anything we ask of him as long as we keep in the loop. I would ask him to get the support of all the Democrats off of his Veterans Committee. This would be a big boost. You may wish to tell him that we do not expect a lot of one-on-one help from Chairman Moynihan on Finance Committee Members and you may wish to solicit his advice on how to get all or most of the Democratic Members on board. I think he also would be quite good with some of the more liberal rank and file Members.

   Recently, in response to our collective frustration, Senator Rockefeller has taken to lecturing groups and Members lately about their lack of visible and strongly stated support. Unfortunately, I am afraid his tone may be getting a little too preachy for some of his listener's taste. We have heard from some of the medical groups on this front, and some of the Members may not take to kindly either. I am unsure whether this issue should be broached; I know his staff has expressed some uneasiness about it his statements of late.

7. **CHAIRMAN BUMPERS, SMALL BUSINESS COMMITTEE.** Senator Bumpers has been saying some fairly critical things about the plan and its impact on small business. I am unsure where this comes from, but I know we must move quickly to find out. It may well be that he and his Committee staff need some more attention from us. We certainly could do better in getting them some case by case breakdowns/scenarious.

   It would be wonderful if we could get him on as an original cosponsor of the bill and get his help with getting others on board. Although I doubt he is a big fan of Chairman LeFalce, you may wish to quitely mention to Senator Bumpers that LeFalce has expressed a great desire to be an original cosponsor -- and that as important as that is, having Senator Bumbers on board is even more of an imperative. (Perhaps you have already taken care of this in your conversation last night?)

8. **CHAIRMAN PRYOR, SENATE AGING COMMITTEE.** Senator Pryor will do everything he can for us. You can tell him we are seriously considering his suggestion about better coordination within the Congress. (I need to talk with you about this matter, however).

   I would talk about the importance of getting the Aging Committee and the Aging groups strongly behind us early. The package of prescription drugs, long-term care, and retiree health protections is as good as these groups could have dreamed about. They should be out there early and strong or they will most definitely lose them.

You should also know, however, that Senator Pryor will always be very uneasy about the employer requirement provisions of this legislation. Even more than the aging groups' concerns (with the possibility exception of prescription drug cost containment), he cares most about protecting small businesses from overly burdensome financial and regulatory requirements.

Senator Pryor has always viewed small businesses as the backbone of the nation -- not just economically, but morally and historically as well. Not incoincidentally, he is tired of hearing and seeing that big businesses and unions getting (he believes) everything they want at the expense of everyone else. (As a result, he -- when he focuses on it -- will probably hate:

1) that we are giving individuals and businesses -- predominantly union members and big business -- 10 years to adapt to the tax cap,

2) the retiree health package because he'll view it as a gift to big business and unions, and

3) he may have concerns about giving individuals an entitlement to benefits and subsidies, without also giving the same type of entitlement to businesses).

Having said all of the above, I am confident that Senator Pryor will argue his points quietly and constructively. I think the best way we can keep him very happy with us and significantly engaged in helping us out (which is absolutely critical to us) is to suggest that we ask him if we could use his very capable staff on four essential issues to.

First, we need to incorporate Steve Glaze (his tax guy) to help us out with all negotiating on small business issues. Second, we need to use Ed Gleiman of Pryor's Governmental Affairs Subcommittee to help us out with the politics and substance of the thorny Federal Employees Health Program issue. Third, we need to continue to use John Coster on all issues relating to prescription drugs. Finally, we need to use Theresa Forster (his Aging Committee staff director) and Bonnie Hogue to help us out with all delicate negotiations surrounding the long-term care issue.

In reality, we are now talking with all of Senator Pryor's staff people. However, a more formal recognition through you to Senator Pryor would probably make David Pryor and his staff feel a bit more invested.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Senator Daschle's Likely Senate Cosponsorship List
cc: Melanne, Steve, Jack, Distribution

October 18, 1993

As we discussed, the following is a list of 33 Senators that Senator Daschle believes we can realistically get on board as cosponsors to the Health Security Plan. Those names with asterics (*) beside them are Members that Senator Daschle believes will take extra effort, in person lobbying by himself and Senator Mitchell; however, he does believe that they all are "gettable." I believe several others should also be in this "needs work" category and I have listed them as such. Those with an X by their names represent Members that I believe will be so difficult that I don't think we should count on them; in other words, if we get them we should consider it to be "icing."

Akaka
Baucus (needs work)
Biden *
Bradley * X
Daschle
DeConcini* X
Dodd *
Glenn * X
Harkin (needs work)
Heflin * X
Inouye
Jeffords (assuming we work out WIC deal)
Kennedy
Kerry (needs work)
Leahy
Levin
Mathews
Metzenbaum * X
Mikulski (needs work)
Mitchell
Moynihan
Murray
Pell (needs work)
Pryor
Reid
Riegle
Rockefeller
Sarbanes (needs work)
Sasser
Simon
Wellstone X
Wofford
Boxer (needs work)

Round Up Count:

18 fairly solid
9 Either Daschle or we believe need work
6 Possible, but should not count on
33 Total

The following is a list of the remaining 24 Democrats. I believe that there are 10 Members on this list who we should not give up on because I think it is realistic to assume we can get some of them. They are listed with *'s.

Bingaman
Boren
Breaux
Bryan *
Bumpers
Bryd
Campbell
Conrad *
Dorgan *
Exon *
Feingold *
Feinstein *
Ford *
Graham *
Hollings
Johnston
Kerrey
Kohl
Lautenberg
Lieberman *
Moseley-Braun *
Nunn
Robb
Shelby

We will keep you apprised of developments with cosponsorships. We will have to do similar whip lists with the House. If you receive any feedback on your conversations with the Senate Chairmen, please let us know. We need as much intelligence as we can get. (I bet you say that about us all the time.)

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton October 18, 1993
FR: Chris Jennings
RE: Chairman Moynihan/Liz Moynihan/Finance Committee Staff Director
cc: Distribution

The dynamics of the New York Medicaid issue are extremely difficult and precarious to say the least. We are doing everything we can to be sensitive and responsive to the policy and politics of this issue. However, as we discussed, I would like you to consider talking with Mrs. Moynihan about your frustrations about New York's request.

Like many spouses of Members, Mrs. Moynihan is very influential on both her husband and the Senate staff. She is particularly close to the Staff Director of the Finance Committee, Lawrence O'Donnell. Lawrence has the power to influence Chairman Moynihan in ways favorable and unfavorable to our dealings on the New York issue. I am afraid that, if he is not constrained in any way, Lawrence may well use his power of persuasion against us in an effort to extract more than anyone might believe is reasonable for the State of New York. This is the way that Lawrence operates. If he does pursue this approach, we may well have an extremely difficult to impossible problem on our hands.

I suggest calling Mrs. Moynihan just to vent your frustrations about the process of living in this town, of legislating, of being the spouse of the President and, most importantly, to seek her advice. She has been around this town for decades and, like almost everyone here, loves to put in her two cents worth.

During the conversation, just as an example, you may want to drop in the subject of the New York dillema. You could say that despite the fact that New York is going to save $10 billion dollars or more over 5 years in their maintenance of effort (formerly Medicaid) payment, they are still asking for more. Tell her you have aksed us to see what we can do, but that you honestly don't believe there is that much else to give.

The whole purpose of this conversation is to simply get her to sympathize with your position. It is not to have her call anyone. It is to set up the dynamic in which you could do that in the future or for her to intervene on her own. You may also pick up some additional information about how the Chairman is feeling about the process and our proposal.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Senator Bob Kerrey
cc: Melanne, Steve, Distribution

October 19, 1993

Tomorrow evening you are scheduled to meet with Senator Bob Kerrey. As you know, Senator Moynihan indicated his great interest in having Senator Kerrey on as an original cosponsor of the Health Security Plan.

BACKGROUND

There are few Members of the Senate that you have met with more often than Senator Kerrey. Despite this fact, however, he reportedly feels that he has not been asked for his priorities and has not been fully integrated into the policy decision making and communications process.

Senator Kerrey's latest push has been the inclusion of a Medicare entitlement cap within the context of health reform. He has been working with a coalition of conservative Democrats, like Senator Nunn, and moderate to conservative Republicans, like Senator Domenici, on this proposal. Apparently, he is advocating for this position because he wants to publicly portray himself as a hard line budget cutter. Although he supports public sector entitlement caps, Senator Kerrey does not seem to be particularly concerned about a private sector cost containment cap.

Senator Kerrey appears to be not fully taking into account that an entitlement cap by itself will continue to increase the disparity between public and private reimbursement rates. As a result, you could argue that we will only continue to see future cost shifting and greater access problems because health care providers will not want to see Medicare or Medicaid patients.

The other primary focus of concern raised by Senator Kerrey recently has been his conclusion that our numbers do not add up. It is for this reason that we may want to ensure that someone from the numbers crunching team or Ira is available for this meeting. I would also suggest that you give him a copy of the Uwe Reinhardt/NYT op ed piece that ran yesterday.

TALKING POINTS

Senator Kerrey, perhaps more than any other Member in the Senate, requires a great amount of attention. He was very offended by last Friday's meeting and Senator Rockefeller's critique of his behavior. He will continue to require a great deal of nurturing throughout the entire health care reform process.

You may want to focus your comments on the importance you and the President place on having Senator Kerrey as an original cosponsor of the legislation. His background as one of the leading proponents of health care reform is absolutely essential to us to ensure that the general public and the media feel we have the strongest proponents of health reform on board.

You should also reiterate what you are saying to every other Member that cosponsorship implies to us that the Members want to keep the momentum moving forward on the health care debate; it does not mean that they agree with every word, comma, and period of the proposal. You may want to address his desire to be asked what he would like to see in the health care proposal in order to ensure his support, but my gut level feeling is that this would be more counterproductive than constructive. (The primary reason I feel this way is because we probably won't be able to satisfy his desires and there never appear to be enough provisions to satisfy Senator Kerrey's appetite for policy tinkering priorities.)

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton October 24, 1993
FR: Chris Jennings
RE: House Cosponsorship Update and Requested Call List
cc: Maggie, Melanne, Steve, Jack, Ira, Distribution

Since our conversation today, Steve R. has talked with you, George, Howard and myself on the subject of House cosponsorships. George advised us NOT to call up Congressman Gephardt tonight, but rather to arrange a conference call with his Chief of Staff, George and Steve tomorrow morning. At that time, they will discuss House cosponsorship status and strategy for the upcoming days. (We also have a meeting scheduled tomorrow with Senator Daschle and Congressman Gephardt's office to finalize plans for the Wednesday event.)

During our Hill discussions tomorrow, we will -- once again -- adamantly stress the importance of a large number of cosponsors. We will discuss the concern about the public not being able to distinguish between the bill transmittal and the bill introduction. We will also state our disappointment about the lack of visible movement on the House cosponsorship front.

In response, Congressman Gephardt, his staff, and other Leadership Members may raise their concern that the lack of time (and insufficient amount of information about the bill) has made it extremely difficult to get the minimally acceptable 100 cosponsors on the bill by the scheduled Wednesday transmittal date. They can be expected to also raise their fear about the riskiness of a very ambitious and widely reported (but unsuccessful) attempt to attract cosponsors. In addition, the Leadership may suggest that we not underestimate the newsworthiness of a health reform initiative cosponsored by virtually every Member of the Congressional Leadership and every Committee Chairman (of primary jurisdiction). They will say that the unprecedented nature of that outcome would be a very attractive story in and of itself. (Although we would much prefer numerous cosponsors, both Steve and I believe that the White House -- if need be -- could spin this outcome fairly well.) Lastly, they will also stress that they still remain confident that, by introduction day, we will have well over 100 cosponsors.

In the interim, we all agree with you that we should not let valuable time slip by without doing all we can to attract cosponsors. We will strongly emphasize this point in our meetings with the House Leadership and staff. In that vein, we will again offer any and all available Administration representatives to immediately pitch in to sign up cosponsors. (E.G., we will suggest the option of arranging for Cabinet Secretaries, their Legislation Undersecretaries and staff, and White House officials to use their contacts with the House to help out with cosponsors.)

And finally and most importantly, a number of very influential House Chairmen and other key Members are worth your calling to seek their cosponsorship. Most of these Members are people with whom you have worked and developed relationships with during the past several months. Some will ask to see more specifics, but most of these Members understand the politics of needing Democrats to stand with the President on this important initiative and know we aren't expecting them to endorse every line. During your conversations, (besides always asking for their advice) you should also seriously consider asking them if they would be willing to try to sign up their Committee Members (or bill sponsors, in the case of McDermott). The list:

Chairman Rostenkowski: If we do not have Chairman Rostenkowski on as an original sponsor of the bill, the press will read more into his absence than there really is. Unfortunately, that is just the point. By all reports (from his staff), he is not going to go on the bill without a request from you or the President. In the conversation, you may want to offer an Economic Team (Ira, Bentsen, Rivlin, etc.) briefing on the financing components of the bill. We would like to do this for him late afternoon on Tuesday. (His staff will be briefed in the morning of that day.)

Congressman McDermott: Congressman Gephardt has asked that you call McDermott to see if he would be willing to cosponsor. Again, there is no way he will do it without a call from you (or the President). Like all the calls, you can and should -- of course -- say that a cosponsorship does not convey with it total agreement, etc. You may want to tell him, however, that it could signal support of the attached stronger single-payer state opt out provisions. (I will have faxed it over to Barbara Smith by time of your call).

Chairman Dingell: We believe that Chairman Dingell will be happy to add his name as an original cosponsor, but he would appreciate (and we would recommend) a call from you.

Chairman Ford: Next to Chairman Dingell, we believe that Chairman Ford will your strongest House Chairman ally. As far as we know, his staff remains fairly happy with everything they know about our bill to date. To the extent possible, we have tried to treat the Ed and Labor Committee on equal terms with the other two Committees. He would love to have a call from you requesting cosponsorship.

Chairman Moakley (Rules): No bill will make it to the floor without a rule from Chairman Moakley. Although he is a single payer advocate, your visit with him earlier this year seems to have assured his desire to be helpful. I doubt any policy will need to be raised, but if so you may want to discuss the new single-payer opt out language.

Chairman Jack Brooks, Judiciary: We have worked hard with his staff over the last several months to draft some language that we believe achieves the appropriate balance on the malpractice and anti trust issues. You may want to thank him and his General Counsel, Jonathan Yarowski, for his help. (Although they may not like everything in the bill, you can say we will continue to appreciate and significantly defer to their counsel.)

Chairman Sonny Montgomery, Veterans Affairs: Chairman Montgomery has been saying some very positive things about the President's health care plan. Most recently, he published an article in Roll Call, the Capitol Hill paper that was very favorable. You may want to mention it and say you appreciated it. Ask him how the veterans organizations are doing and seek his original cosponsorship, and his help with the rest of the Committee.

Chairman Bill Clay, Post Office & Civil Service: Chairman Clay just wrote an angry letter about the FEHB issue; he had heard that we were going to allow the FEHB employees to be integrated on a state by state basis into the new system, rather than wait until everyone was in (at the end of 1997). He felt Ira had turned his back on a commitment he thought Ira had made to the Chairman. You can say the policy will be as he wishes, i.e., to wait until everyone is in. You should extract a high price for this, i.e., his cosponsorship and his strong push for Committee Member cosponsorships. (By the way, we should also -- out of courtesy on this issue -- tell the Senate Chairman counterpart about this decision -- John Glenn, as well as his Subcommittee Chairman, David Pryor).

Chairman Martin Sabo, Budget: Despite all the problems, Congressman Sabo is still pleased with your event with him in Minnesota. The cosponsorship of the House Budget Committee could give us some needed numbers credibility and is worth strongly pursuing. He also could be very helpful with his Members.

Chairman John LeFalce, Small Business: Since dinner yesterday evening, John LeFalce feels like he has made it to heaven. It was a great event and he was most pleased with his role in it. He has also been very happy with the attention you have given him and his Committee and has indicated his willingness to do all he can for us on health reform. He can start with cosponsoring the bill and getting as many as his Members as possible. (Every Small Business Committee Member helps us out just a little bit more on one of the thorniest issues of all.)

Chairman Dave Obey, Jt. Economic Committee:

Chairman Obey held the first health care reform hearing after the August recess. In it, he asked for and got Paul Starr. He was very pleased with his testimony. Despite his past gruff reaction to the long term care and workers comp. provisions, he has recently been one of our staunchest defenders. (He wants nursing home coverage offered on a voluntary basis and he doesn't want us to touch workers comp provisions because he thinks his state is doing just fine with their program). You may want to thank him for his very protective behavior toward Paul Starr during the Health Care University, (when he scolded the Members for not being so rude to Paul). Bottom line: he is a fierce advocate, someone you would like to have on your side, and a Member Chairs a Committee that can be critical to helping build up credibility on our numbers/economic assumptions/etc.

Chairman Ron Dellums, Armed Services:

Chairman Dellums does not have much jurisdiction beyond that of DoD. So far, we believe the DoD folks are happy with us; he should largely mirror their feelings. At any rate, a call seems worthwhile.

Chairman Kweisi Mfume, Cngrsnl. Black Caucus:

Chairman Mfume has not always been the easiest Member to deal with, but he is a dealer. He may be looking for an issue, however, that -- from the beginning -- he is more closely and positively associated with the Administration. Let's hope that health care is one of them. He may well say he can't commit without seeing the language, but I still think it is worth pursuing him from the beginning.

Congressman Lou Stokes: Congressman Stokes is probably the key to the Congressional Black Caucus on health care issues. We need to talk to him and even invite him in after the bill is transmitted to make him feel more invested. His staff, Leslie Atkinson, has been extremely helpful and he may appreciate your recognizing his help through her. In addition, he still should be somewhat pleased with your appearance at his Congressional Black Caucus Health "Brain Trust" meeting.

Chairman Pat Schroeder, Congressional Caucus for Women's Issues: Congresswoman Schroeder wants to be as helpful as possible and we believe she can if she cosponsors and asks her colleagues to do same. You know the issues she cares about...

Chairman Jose Serrano Congressional Hispanic Caucus: Chairman Serrano may not be open to cosponsoring the President's plan before he sees the exact undocumented alien, the privacy protection, and other provisions of the legislation. However, out of Congressional courtesy, I believe it is worth extending a hand.

Chairwoman Jill Long, Cngrsnl. Rural Caucus: She and Charlie Stenholm are most closely associated with the Rural Caucus. Both would be advisable to call, make the rural pitch, in particular, and ask them to be cosponsors (particularly Jill Long, because she has indicated she would probably be willing to do so even though I believe she also went on the Cooper bill) and also ask them to pitch it to their rural caucus colleagues.

*** I have some more in mind, but this is quite a list already. These Members have great potential to help us out a great deal in attracting credibility and cosponsors. We will keep you informed of our Leadership meetings and progress on our end.**

Chris needs copy

Single-Payer Opt-out Agreement

- - Any state may implement a single-payer system, under which:

  - o All individuals and employers in the state could be required to participate in the system pursuant to rules of the state, except for Medicare.

  - o Medicare will participate if state is granted waiver assuring no reduction in benefits.

- - A single-payer State may use any equitable financing source, so long as it does not allow employers in the state to avoid paying the same payroll assessments as apply in other states.

- - Federal funds that would have been available to the state under the President's plan will be available to the state to implement the single-payer program.

- - To implement a single-payer system, state must provide benefits at least as good as otherwise required under the Health Security Act.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Greg L. Re: FEHB Issue and Balanced Billing (1 page)	10/23/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
October 1993 HSA [3]

Gary Foulk

gf110

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
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M E M O R A N D U M

TO: Greg L. October 23, 1993
FR: Chris J. 456-2645/Page: 668-2764
RE: FEHB issue and BALANCED BILLING
cc: Ira

Greg, following up on our conversation, I am forwarding you this note to report on two discussions I had with Mrs. Clinton and Ira about the separate issues of FEHB and Balanced Billing.

During a multi-issue phone call from the First Lady, she raised the FEHB issue you raised with me. (Melanne had advised Mrs. Clinton that she had received a very sharply worded communication from Congressman Clay on this matter). She informed me that, although she is not completely comfortable with Ira's recent FEHB all in or all out policy decision, she was going to defer to him on this. (She was apprised of all the arguments on both sides of this issue).

Mrs. Clinton asked if there could be any language that made an exception if the integration of Federal employees of a particular state would not have any negative consequences on the FEHB pool. (As you know, that is the issue that Cong. Clay has been arguing lately and the one that Ira has some sympathy for). I said I would raise this one with Ira and you.

On the Medicare balanced billing issue, I had another conversation with Ira about this one today. As you know, he does not love this issue, but he did defer to the decision made by Mike Lux, Steve Ricchetti and me to go with the Department position to eliminate all balanced billing.

Although the physicians will not be pleased, we have concluded that it is a better starting position for us politically with the groups who are most likely to support us immediately after the bill's introduction. (Also, too many Members at the Health Care University and too many aging advocacy groups are now under the impression that this was our policy; we concluded it wasn't the time to make them angry over this position.)

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	ChrisJennings to Hillary Clinton Re: Wednesady Congressional Message Group Meeting (2 pages)	11/9/93	P5
002. memo	Chris Jennings to Hillary Clinton Re: Meetings with Senators Conrad and Harkin (1 page)	11/22/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23754

FOLDER TITLE:
November 1993 HSA [1]

gf111

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Wednesday Congressional Message Group Meeting
cc: Melanne, Steve, Jack, Distribution

November 9, 1993

Tomorrow you are scheduled to meet with the Wednesday Congessional Message Group. Confirmed Members who will be in attendance are Senators' Boxer, Daschle, Kennedy, Murray, Reid, Riegle, Rockefeller and Wofford, as well as Representatives Fazio, Hoyer, Kennelly, and Richardson.

BACKGROUND and AGENDA

Since next Wednesday is the NAFTA House vote and the following week is Thanksgiving (and the likely drop dead week for introduction of the bill), tomorrow's meeting has great potential to be the last semi-formal get-together before the Congress recesses for the year. With that in mind, there is a great desire to discuss what our message should be during the next few weeks and, in particular, how we should prepare for the December/January period prior to the State of the Union address.

Discussion items are likely to include:

- **December and January Regional Summits.** During the Monday meeting with Senator Daschle, we discussed the desirability of developing events around the country that could assure widespread media coverage and important Congressional district coverage, while using you other Administration resources more wisely. The current discussion has focused on a Northeast event (Maine, Vermont, Mass., etc.), a Great Plains event (Nebraska, the Dakotas, Iowa and Minnesoa), a Northwest event (Washington, Oregon, etc.), a Southwest event (California, Arizona, New Mexico), and possibly a Southeast event.

- **Re-Start Up of Health Care Univerity on Hill and Perhaps in States Too.** Senator Daschle wanted us to reinstitute some health care university classes this week for topics of particular interest. In response, Steve E. has set up two classes for tomorrow morning (one on Veterans health issues by Vick Raymond and one on "who pays" by Ken Thorpe). Another discussion by Senator Rockefeller may be raised about the advisability of doing HCU classes at the state level. We are working with John Hart on this.

- **Who Pays -- 70/30 Issue.** Senator Daschle is very concerned that we have not adequately addressed this issue. A number of Members have raised concerns about our numbers and about the reaction they have received within their home districts about them. He may ask you to give your line on this issue. (You may want to talk about how the 30 percent paying more will pay, on average, no more than $6 a week more and many of them will have better benefits; you may also want to stress that most Americans are willing to pay a small amount for a benefit they do not have now -- the security that they will never lose iyuse people paying more.)

- **Theme Weeks.** This week is Veterans Week. They would like next week to be focused on children.

- **Spouse Briefing.** They want to know final status of the spouse briefing, originally scheduled for next Wednesday morning. The Senate believes it is very important and should not be postponed. There has been some concern raised (by Howard and possibly some in the House) about holding it on the same day of the NAFTA vote. We will know final status of this issue by tomorrow morning.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Meetings with Senators' Conrad and Harkin
cc: Melanne, Steve, Distribution

November 22, 1993

Tomorrow you are scheduled to meet with Senator Conrad. Two of his staff will be accompanying him: Mary Wakefield, a nurse who is the Senator's Administrative Assistant and who used to be the Staff Director of the Senate Rural Health Caucus and Craig Obey, the son of Congressman Obey who now serves as Senator Conrad's health legislative assistant.

BACKGROUND AND POSSIBLE POINTS OF DISCUSSION

Senator Conrad is the newest Member of the Senate Finance Committee and is one of the 8 Committee cosponsors of the Health Security Act. He is best known for his commitment to deficit reduction and his kept campaign pledge not to run for re-election if the deficit did not go down during his first term. (He later got re-elected after Senator Burdick died in office; the electorate seemed happy to send Senator Conrad back into office since he kept his promise to step down from his original seat).

Senator Conrad's primary health care concerns have been focused around small business concerns, rural health care, Medicare cuts (and, in particular, their impact on hospitals), and quality assurance. North Dakota, like most Western and Southern states, have a small business community that represent close to 90 percent of all their business interests. There continues to be great concern in these communities about the impact of health reform on these delicate business.

With regard to rural health care and Medicare cuts, it would seem wise to use your usual comments about how these communities -- who disproportionately serve the uninsured -- will now have a new funding stream. In addition, you can stress how the President's plan provides for increases in incentives to recruit and retain primary care physicians into medically underserved rural communities.

Most importantly, I think you should stress how we want to work with our friends who have agreed to be cosponsors of the legislation. In so doing, I would go out of the way in soliciting his concerns and advice on how he believes we can get the bill through the Finance Committee, the Senate floor and onto the President's desk.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Hillary Clinton Re: Wednesday Congressional Message Group Meeting (2 pages)	11/9/93	P5
002. memo	Chris Jennings to Ira Magaziner Re: Drafting Changes (2 pages)	11/8/93	P5
003. memo w/attach	Chris Jennings to Hillary Clinton Re: Health Care Legislative Strategy Memo (19 pages)	11/24/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Domestic Policy Council)
OA/Box Number: 23754

FOLDER TITLE:
November 1993 HSA [2]

gf112

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

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MEMORANDUM

TO: Ira
FR: Chris
RE: Drafting changes
cc: Melanne, Steve, Jack

November 8, 1993

Following the Rockefeller story in the Post yesterday, I have received a lot of calls from nervous nellies on the Senate side regarding promised changes. Within the last 12 hours, I have heard from the offices of Senators' Leahy, Baucus, Pryor, and Rockefeller about their particular interests in the legislation. They all have made it quite clear that they, as cosponsors, will be livid if the changes they feel have been promised to them are not contained in the legislative fixes.

Senator Baucus and Senator Rockefeller (similar to Congressman Wyden), because they believe they were previously given a commitment that the feel was not honored, want to review the specific legislative language they have been pushing to make certain we are being responsive. (Shows you what kind of credibility we now have on the Hill.) FYI, besides the VA language, Rockefeller, once again, raised his strong objections today that a cap on training specialists was not included.

Senator Pryor's office has pointed out that the September draft and all of our previous statements provided for the AWP-7 percent reimbursement language and the authority for prior authorization in the Medicare program. (Pryor is going to hold a hearing on our prescription drug provisions next week and he is growing more impatient with us, which is quite rare for him). I am sensing that similar problems will be cropping up around the mental health langauge -- with Wellstone, Kennedy, Strickland and others.

At the same time I am receiving these calls, the Majority Leader's office (through John Hilley and Chris Williams) is getting upset we don't have closure on the drafting changes. (They don't appear to care much what, if any, changes we make, but they are upset that our gate has not closed.) If we do not draw the line soon, I am afraid they (or others) will start to complain publicly that we -- rather than they -- are holding up the bill. Already the media is telling us that the Hill is pointing the blame finger back at us.

Chris Williams called me and informed me that a drafting meeting was taking place this morning. I had thought that we had agreed in the meeting with the First Lady that Jack and I would be at such a meeting. If you and Greg did not believe this to be advisable, I of course accept the decision. However, I need be kept informed about what policy decisions are being made and how they are being drafted. Otherwise, I cannot do my job for the First Lady or you and we are sure to run into the same problems we ran into after the initial release of the bill. Please do not put me, you and the First Lady in that position.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Health Care Legislative Strategy Memo and Congressman Andrews update

November 24, 1993

Steve asked that I forward you a copy of the Health Care Legislative Strategy memo that Steve, Jack and I just prepared for Ira. As I understand it, some of its contents were briefly outlined in your meeting in the Ward Room this morning. We thought, however, that it would be useful for you to look through this document as one of your fun holiday reading assignments.

On a somewhat unrelated front, Congressman Andrews has forwarded the attached DRAFT letter that outlines his support for universal coverage. I think it is is a very good letter.

Andrews points out that Enthoven and other traditionally conservative players support universal coverage as an underpinning of health reform. While he outlines his concerns about the impact of an employer mandate on small business, he does stake out what he supports: an individual mandate for small business and an employer mandate for large business.

This letter is not going to go out formally until Congressman Andrews and you decide on how best to release it. However, they would like to do this sometime next week. (We thought we would give you some good news for Thanksgiving.)

PRELIMINARY DRAFT

November 23, 1993

HEALTH CARE LEGISLATIVE STRATEGY

General Considerations

Schedule

For health care reform to be enacted by September, congressional action will require an unprecedented degree of coordination and an adherence to timetable. We all agree that the Administration must continue to force the process in order for final legislative action to occur this year, but there are serious risks to even putting a proposed timetable on paper.

It is critical that all discussion of timetables remain strictly internal at this point. We all know that a schedule which calls for final action by the August recess is aggressive. If the details are publicly discussed, this timetable will be considered unrealistic -- even impossible -- by many, including key members of the House and Senate.

Working the schedule backwards, as we do below, allowing a minimum of time necessary for each step in the process, it is extremely difficult to see how a conference report could be voted on in the House and the Senate by the August break. We will need to strike a balance between an aggressive schedule, which keeps the process moving forward, and a realistic approach which accepts the fact that the legislative process operates within certain constraints which we cannot change. Moreover, the mechanics of drafting and redrafting a bill as complicated as this one will slow the process down at several points. Just the short list of technicals which we made took several weeks, including several all-nighters by the drafters. This is a drop in the bucket compared to the scope of drafting that will be necessary to get the bill through the House and Senate, and eventually through Conference.

Internally, we must accept that in all likelihood the additional time between August and October will be necessary for a comprehensive bill to be enacted next year. This does not mean that we should back off of our target for final action by August, but we must be careful that an aggressive schedule does not become a weapon used against us to paint the plan itself as unrealistic. We also need to be careful not to establish public benchmarks for success which can become failures if we fail to meet them. We will want to characterize the process as moving forward in the right direction even if we slip somewhat behind our target schedule.

We must be flexible to work out specific target dates in close consultation with the key committees and the leadership in both the House and Senate. Any target dates discussed publicly should be theirs and not ours.

Shifting Center of Action

Since we have presented the only comprehensive framework for legislative action, we have already shaped the terms of the debate. We must continue to work closely with the Congress to shape the bill as it progresses, but we also need to recognize that the process must shift so that Congress takes ownership both of the issue and the substantive details. The biggest risk within the legislative process is if the committees remain detached from a policy which they do not consider to be theirs. There will be many difficult moments when the key Chairmen and leaders will need to defend reform against well run campaigns against it. They must come to feel that the product they are defending is their own.

As the center of action shifts from the White House to the Congress, we cannot directly control all of the details that will be decided and we must pursue a strategy to maximize our ability to influence the process as it moves along. High profile negotiations over the most controversial issues will only represent a small fraction of the decisions that will be made by Congress. Most of the action will take place behind the scenes, by House and Senate committee staff who will shape ninety percent of the final details.

Relationships with the Committees cannot be strictly political and top heavy; they ultimately must be professionally and personally strong at the professional staff level. We tend to focus our attention on Chairmen and staff directors, when in fact their technical staff (hopefully working with the assistance of our technical staff) will make many key decisions, and shape the debate of the remaining controversial decisions which are bumped up to the political decision makers.

Access to Information is Critical

To develop the most effective working relationships with the technical committee staff, our legislative and policy staff must invest a great deal of effort as soon as possible. Our objective should be to become indispensable resources which will make them want to turn to us rather than outsiders trying to influence the process. In fact, we have far greater resources at our disposal than they do, which we must marshall or else the committee staff will rely on historic relationships with the departments, the think tanks and other outside experts. We need to create a framework which integrates our experts in this process on a daily basis.

In the period between now and January, one of our highest priorities should be to demonstrate that we can provide the most efficient and effective access to the best data and analysis. We want them to consider a call to one of the two of us as a key to these resources, but we do not want to stand in the way of casual working relationships that are more direct. We will need to coordinate and remain informed of these contacts, but we should not try to micromanage them or we will lose much of the potential benefit from these relationships.

In order to shape the debate, we need to have a clear idea of what information we want at the center of the debate. We should make certain that this information is provided in the course of meeting the needs of the Committees so that they think it is there own rather than our attempt to manipulate. Information will be power as the mark-ups approach, and we need to have a plan for putting the right information in the right hands. For example, in the 1990 budget negotiations, the distributional analyses drove the final decisions because the debate was framed in terms of fairness. This debate can similarly be framed in our terms, if we provide exhaustive data to the Congress in a strategic and coordinated manner.

We cannot let our models be perceived as secret and unknowable. If we do, Congress will draw on alternate data that will undermine our projections and the structure of the proposed plan.

Coordination is Critical

Overall coordination will be critical, but we cannot impose a coordinating structure on either the House or the Senate. We should work with the leadership to establish a process for completing action. In the House, for example, the Speaker is planning to convene regular meetings of all the Chairmen with jurisdiction, and the leadership staff will convene weekly meetings with the staff directors to keep track of progress and pressure on the committees.

It may or may not be appropriate for the Administration to participate in all of these meetings, since they have a right and a need to talk among themselves. However, we will need to be integrated into this process, or we will need to construct a shadow process which enables us to maintain general pressure on the committees to continue making progress. The leadership will not want a shadow process and will accommodate our appropriate participation in the internal coordinating process.

Since the idea of an Ad Hoc Committee was rejected early in the process, there are only indirect coordinating mechanisms available at this point. In both the House and the Senate there will be multiple committees working on overlapping portions of the bill and it will be necessary to reconcile conflicting approaches prior to or during floor consideration in both the House and Senate.

The entire House bill has been referred to two committes -- Energy and Commerce and Ways and Means, with a significant portion of the bill referred to Education and Labor. The referral to committees with more circumscribed jurisdiction ends two weeks after the three lead committees report the bill out, unless the Speaker sets an alternate date.

The President's bill (S. 1757) remains on the Senate Calendar. The Finance and Labor and Human Resource Committees could not (and are not likely for some time) come to an agreement about division of jurisdictional labor. As a result, both Chairmen invoked Senate Rule 14, which effectively requires that every health reform bill introduced to stay on the calendar and not be referred to Committee. As a result, attempts to introduce the President's bill (by Moynihan) and to introduce the elements of the bill that Labor feels it has jurisdiction over (by Kennedy) have all been captured in the web of Rule 14. Moreover, even Senator Chafee's recently introduced bill is pending on the Senate calendar, without any referral to Committee.

What the above effectively means in the Senate is that the Committees will proceed with marking up their own legislative initiatives. If the Committees cannot work out their jurisdictional problems, the only way to referee the inevitable disputes and substantive policy disparities will be to send their marked up measures to the floor and have the Majority Leader offer a leadership amendment to the bill pending on the calendar. (This may well be good news for us, since we have an excellent working relationship with the Majority Leader and his increased power over the bills may help us over some trouble spots advocated by a particular Committee.)

For the Committees in both the House and Senate, we will have to decide at which stage in the process to be most active in direct negotiations. Particularly in subcommittee, we may want to stand back a bit and let the process move on its own to avoid a proliferation of negotiations which require commitments that could box us in later on in the process.

Since there will be an extra stage in negotiations to reconcile the different committee positions, we may need to hold back to some extent even at full committee. While we want to participate fully, as described above, we should avoid direct negotiations and making too many commitments early in the process. We do not want to be in the position where we have made a very public sign off on one deal, only to renig or backtrack on it later in the game.

Need for Public Strategy to Complement Inside Strategy

Our biggest success to date has been developing a consensus that universal coverage is the necessary goal and creating the impression that some sort of action is inevitable. It will be difficult to maintain this impression throughout the process.

Internally we must recognize that our ability to influence the legislative process -- both in terms of timing and policy -- will be limited unless our public campaign continues and inaction -- or action short of universal coverage -- is considered politically unacceptable. This can be achieved through an effective communications campaign that creates an environment of desire to -- or at least fear not to -- vote for an acceptable comprehensive reform initiative. (It is important to note that the work of the Office of Intergovernmental Affairs and the Office of Public Liaison will also be critical in this regard.)

House and Senate Timing -- Who goes first?

While we will be tempted by some in the House to push for a Senate first strategy, in part to see what the least common denominator is at Senate Finance before House members are forced to cast tough votes, the bill in all likelihood will have to originate in the House. Constitututional and institutional concerns regarding tax bills will push the House to act first. Perhaps more importantly, House procedures -- particularly the ability of the leadership through the Rules Committee to both discharge committees and structure floor consideration to resolve differences between committees -- will permit the process to be pushed more quickly towards conclusion.

DETAILS OF PROPOSED LEGISLATIVE STRATEGY

We have divided the strategy into three parts: a Committee strategy, a Congressional targeting strategy, and a general timing strategy.

1. Committee Strategy

Overall Assessment by Committee -- House

Looking at the three lead House Committees, it seems clear that strictly in terms of getting the votes to report a bill out of Committee, Education and Labor will be the easiest Committee and Energy and Commerce will be the hardest, with Ways and Means in between. In the case of each Committee, assuming that we win no Republican votes, we can afford to lose only four Democrats. This overall view should give you a sense of how the votes must shape up.

Energy and Commerce

While we can only afford to lose four Democrats, our list of possible problems is considerably longer: Hall, Slattery, Cooper, Rowland, Boucher and Tauzin. The possible Republican gains are long shots, with Greenwood being the best bet and Hastert, Klug and Upton on the target list as well. We should be able to limit our loss of Democrats to four or less, but it is clear that this group will have considerable leverage when the final package shapes up. At introduction we have 8 out of 44 Committee members as co-sponsors.

If it becomes clear that Energy and Commerce cannot report out as comprehensive a package as the other Committees, it may become necessary for the Committees to diverge and then to bring a compromise package together for floor consideration.

The Committee historically has had strong subcommittees, and the Health subcommittee in particular has typically taken the lead on minor and major health legislation. The full committee typically plays a strong role in reviewing subcommittee action, particularly in controversial areas, but most of the details tend to be worked out in subcommittee. There have been some indications from the full committee staff that the full committee may want to play more of a lead role early on. This would be very controversial within the Committee and we should not get involved in an intra-committee power struggles if it occurs. We must continue to work fully with both the Waxman and Collins (Commerce) subcommittees and with the full committee.

Ways and Means

It is likely that at some point Rostenkowsi (assuming he is still serving as Chairman) will shift the action from subcommittee to full committee, which will diminish Stark's role to some extent. Unlike the Energy and Commerce Committee, Ways and Means has a tradition of major issues being worked out in full committee. Tax reform, for example, was handled almost entirely at the full committee level. Also unlike Energy and Commerce, the subcommittee staff works for the full committee chairman.

While it will be necessary to deal with Stark's concerns, he will try to pull the bill as close as he is able to towards a single payer approach. At the same time, the center of the Committee will pull us in the other direction. On the subcommittee Sandy Levin and Ben Cardin will be key to maintaining a balanced approach. In the end, the full committee is likely to refine and alter the approach if the subcommittee fails to reach a consensus on a politically viable approach.

The Democrats most at risk are Payne, Brewster and Andrews. Andrews has told us that he wants to support a bill with universal coverage. The most likely Republicans to vote for a bill are Houghton and Grandy, with Johnston in the next tier. At introduction we have 11 out of 38 members of the Committee as co-sponsors.

Education and Labor

The Democratic majority on the Committee is very strong. The most at risk democratic votes are Members like Rob Andrews (D-NJ) and Gene Green (Tex), and these votes should be possible as well. The Republican prospects are not very strong, with Steve Gunderson being the most likely. At introduction we have 16 out of 39 Committee members as co-sponsors.

Overall Assessment by Committee -- Senate

The last three days of infighting between the Finance Committee and the Labor and Human Resources Committee has illustrated how difficult it will be for the two primary Committees of jurisdiction to work out an amicable division of labor. Like all other jurisdictional wars, we need to stay out of this one.

It is now clear that the two Committees of primary jurisdiction will report out their own versions and visions of what the health reform legislation should be. The Labor Committee will have a much easier time of getting the votes off of Committee to deliver their bill to the floor and, no doubt, it will look much more like the bill we have introduced than the one the Finance Committee will report out. The Finance Committee will do whatever is necessary to poll out a bill that has bipartisan support.

While it will take them more time and possibly be more contentious, the Finance Committee has the institutional leverage to report a bill that will attract a significant number of votes on the Senate floor. In the end, however, the real power brokers will be Majority Leader Mitchell and Minority Leader Dole. They will be the players who will have the ultimate power to decide what goes to the Senate floor for a vote.

Senate Finance Committee

Because of the philosophical/political make-up of the Finance Committee, it will be much more difficult to obtain the votes necessary (11) to report out a bill. However, a bill reported out of the Committee, particularly if it has received the support of some of moderate Republicans on the Committee, is more likely to receive bipartisan support than a bill out of the Labor and Human Resources Committee. More specifically, it could be argued that such a bill would be less likely to be targeted with an extended (and possibly detrimental) debate and/or successfully victimized by a fillibuster on the Senate floor.

As of this writing, it appears there are 8-9 relatively certain Democratic votes on the Committee. The two that we are most concerned about are the two we are always concerned about: Senators' Boren and Breaux. The Republicans worth paying particular attention are: Senators Packwood, Dole, Danforth, Chafee, and Durenberger. We NEED to have some of these on board to have a chance of gaining bipartisan support and avoiding a protacted Senate floor fight. Most importantly, since Republicans who want to support us will want to have the cover of other Republicans supporting us, the two Members that control the two blocks of Senate Republicans that can provide this cover serve on this Committee -- Senators' Dole and Chafee.

Other points of interest: In an attempt to build up strong personal relationships with one another, as well as to find out what are the priorities of the Members, Senator Rockefeller has initiated a series of Committee Members Only meetings. He has hosted at least three meetings (with the blessings of the Chairman) and, from all reports, they have gone fairly well. This concept is a constructive one as these Members will be much less likely to be adversarial during the upcoming debate if they have formed stronger personal bonds.

The status of Senator Packwood and the chance he may retire is still unclear as of this writing. Senator Packwood's absence would be a blow to gaining support from moderate Republicans. His likely successor to his Ranking Republican position would be Senator Roth (unless he desires to retain the same position he now has with the Governmental Affairs Committee -- not likely). Right behind him in this succession is Senator Danforth. (Senator Dole does not hold the Ranking Republican position officially because of his ~~services~~ role as the Republican Leader.)

If Senator Packwood does leave, it will be very interesting to see what choice Senator Dole makes to replace the Packwood seat. If it goes to a very conservative Member, Senator Dole may be sending us a signal that he is not planning on being as helpful as we had hoped. If it goes to a moderate Republican, Senator Dole can suggest that he wanted to replace the seat with someone who was somewhat similar to the philosophy of Senator Packwood. (FYI, the last time a Finance seat became available, the two losers were Senators Gramm and Lott, obviously two of the most conservative Members in the Senate.)

SENATE FINANCE COMMITTEE

Total Members: 20 -- (11 D's & 9 R's)

Moynihan	Packwood
Baucus	Dole
Boren	Roth
Bradley	Danforth
Mitchell	Chafee
Pryor	Durenberger
Riegle	Grassley
Rockefeller	Hatch
Daschle	Wallop
Breaux	
Conrad	

Current Cosponsors: 8

Moynihan
Baucus
Mitchell
Pryor
Riegle
Rockefeller
Daschle
Conrad

Senate Labor and Human Resources Committee

Of all the five primary Committees of jurisdiction in the Congress, this Committee is the most able and willing to work with us and be responsive to our priorities. It also is the Committee that can most easily and quickly deliver a majority of its Members to report out a bill.

Although not completely happy with the jurisdictional gridlock that currently exists within the Senate, Chairmen Kennedy and his staff seems to be satisfied with the situation. They feel they have developed a close and constructive relationship with both the Majority Leader and the Parlimentarian, and seem generally comfortable with what they view will be the eventual outcome of the decisions made by these two referees.

Of some interest, two Republicans serve concurrently on this Committee and the Finance Committee -- Senators Durenberger and Hatch. It is likely, however, that they will side with the Finance Committee on issues of substance and jurisdiction.

SENATE LABOR AND HUMAN RESOURCES COMMITTEE

Total Members: 17 -- (10 D's & 7 R's)

Kennedy	Kassebaum
Pell	Jeffords
Metzenbaum	Coats
Dodd	Gregg
Simon	Thurmond
Harkin	Hatch
Mikulski	Durenberger
Bingaman	
Wellstone	
Wofford	

Current Cosponsors: 9*

Kennedy
Pell
Metzenbaum*?
Jeffords
Dodd
Simon
Harkin
Mikulski
Wofford

Committees with Narrow Jurisdiction

We will need to work which each of the committees with narrower jurisdiction as the process unfolds, but in all likelihood, they will act on a more delayed schedule, waiting to see what superstructure their sections will fit into. The referral in the House calls for committees with limited referral to complete action within two weeks after the three lead committees report out a bill. In the Senate, Committees are likely to report out their own bills concurrently, or soon after, the bills start being reported out of Labor and Finance.

Although we frequently think of the Judiciary, Governmental Affairs, and VA Committees, we cannot forget that there are many other Committees who will demand a role. We will need to designate both legislative affairs staffs as well as policy staff to service these Committees. (We will be attempting to do this over the next week.)

2. Congressional Targeting Strategy

Cosponsors and Lieutenants

The first step in any targeting strategy must be to solidify our base; this should start with our cosponsors. We need to reward our friends in a visible way, particularly during the period between now and the President's State of the Union Address. Specific outreach efforts include:

(1) Giving top priority to cosponsors' meeting and field visit requests **(particularly those from Committees of Jurisdiction Members)** with the First Lady, Ira, Secretary Shalala and other principles;

(2) Initiating calls to cosponsors' offices to offer them surrogates in their home states and/or to invite them to bring in their constituent health care advisors to meetings in the White House. (The calls that have been made to date have been very well received;)

(3) Working closely with our friends to determine the most desirable appearances by the First Lady in a series of 4-5 Health Care Summits around the nation;

(4) Inviting all the bill's cosponsors to a White House thank you event with the President and/or the First Lady. (We are tentatively targeting December 8th for this meeting -- a day after the Congressional Ball when most of these Members will be in town;) and

(5) Further develop and/or establish (in the House) a list of lieutenants who are our most influential supporters. Provide these Members with access to information that they need to best sign up other Congresspersons. As we are doing this, make certain that this work does not clash with the legislative policy process on the Committees, i.e., this effort is not a deal making process; it is a Member stroking and caujoling process.

Developing a Close and Responsive Working Relationship with the Committees

Since the Committees will be the first hurdle to clear in the process, we must focus the majority of our limited policy and number crunching resources/time on the Committees and their staffs. Influential Members on and off the Committees should receive second priority. Rank and file Members' requests should receive lower priority. However, we should keep the rank and file Members informed and involved through policy briefings (e.g., HCU like briefings) and, where possible, door to door meetings with Members.

With regard to Committee and other Member policy and number run requests, we must implement a process by which we evaluate: (1) whether we can be responsive; (2) whether we want to be responsive; (3) how to structure responses in particular ways so that we can focus information best suited to our policy priorities; and (4) how best to rank requests in order of priority. This should be done in conjunction and consultation with the legislative and policy representatives of our new White House team.

Throughout the process of Committee consideration, we must also be very careful to avoid the temptation to signal any support for ANY change UNLESS it has gone through a very careful internal political, economic and policy vetting process that has been cleared through our new legislative/policy structure. Committee Chairmen are used to dealing with delayed responses; what gets them livid are changes in policy that they are not aware of before going public AND decisions that do little to nothing to strengthen the package and the likelihood of support from the Committee Members. Moreover, if we make public pronouncements about support of certain policy changes (without consulting the Committees) OR make too many public changes, the Committees are likely to start questioning our relevance to the process.

Lastly, the bill goes nowhere if it does not survive Committee mark-up. The Committee Chairs and their staffs best know their Committee Members. We must develop even closer relationships than we now have with them to ensure we work together to target and get on board Committee Members for the mark up. If we do this right and they are as (or more) invested in this bill than we are, they will welcome and ask for our assistance.

Outreach to Congressional Targets

Over the recess, we must also start using some Administration resources to reach out to our key swing target list. The intention here is to develop closer and more trusting relationships with the Members and their staffs that will hopefully lead to a number of Members adding their names as cosponsors at the beginning of the next session of Congress. We can best achieve this goal by:

(1) Tapping Administration surrogates to speak in behalf of the plan inside the home districts of our swing target list. (Next week, we will be holding a meeting with the principles to divide up our list of 70 or so key Members; they will include such notables as Secretary Shalala, Secretary Reich, Secretary Bentsen, Ira, Roger Altman, Judy, Phil, Bruce, Bob R., and a number of others;)

(2) Developing working relationships with the offices of these Members. Time and personnel resources will have to be allocated to this effort. It makes most sense for much of this effort to be handled at the Department level by legislative affairs staff we trust and who will forward on useful information. (It is our intention to raise this with Department ASL's and other appropriate personnel sometime next week;) and

(3) Continuing one-on-one meetings between Ira, Roger, (with Steve, Jack or Chris) and key target Members to elicit specific concerns and identify issues that we will need to deal with later in the process.

Coordinating with Public Liaison, Intergovermental, Communications, and White House

Some of our best resources and information to use as effective lobbying tools with key Members of Congress should come from the health care components of the Offices of Public Liaison, Intergovernmental, and Communications. The other source of critical info on the Members will come from the parts of the White House that operate outside of much of our health care operation. More specifically:

(1) The Office of Public Liaison, and Mike Lux in particular, can offer tremendous assistance to us by monitoring and reporting the lobbying strategy/priorities of all the organized lobbying community to give us a feel for what the Congress is hearing and feeling. Based on his analysis of the effectiveness of any particular group, he can also give the White House a sense as to how far we should go (if any) to publicly support/oppose any particular provision.

(2) John Hart's shop can offer much the same information Mike can from the perspective of state interests. His contributions will be critical since many Members will look to their Governors to get reads on how the legislation will impact on their constituency and to also to provide them cover on what could be a politically very difficult vote.

(3) Similarly, the Communications/Political shop can and should play a vital role in giving us a sense of media and public reactions to Congressional actions (and our responses to them). They can also provide us with tremendous assistance about the most appropriate ways to send message oriented information to the Hill. Moreover, they can help portray this operation as an effective and responsive unit that is helping the Congress strengthen and improve the President's bill.

(4) Lastly, although it should go without saying, the White House personnel not working on an every day basis on health reform must be keyed in, and feel part of, our operation. The first reason is that it makes for smoother operations within the White House. Secondly, as the non-health component of the White House becomes more comfortable with us, they will be much more hesitant to question the work that is being carefully coordinated and orchestrated through us. Lastly, and most important, many of these people have critically important relationships with the Hill that will be extremely helpful through the process.

3. General Timing Strategy

Working backwards, in order for the House and Senate to pass a conference report before the August recess, it will be necessary for a conference to begin soon after the Memorial Day break. Both in terms of drafting time and conference time, it will be very difficult to compress the process into a shorter period of time.

In order for a conference to begin soon after Memorial Day, floor action in both the House and Senate must be completed between Easter and Memorial Day, leaving several weeks to reconcile differences and prepare a substitute if necessary for floor consideration.

In order for a bill to reach the House floor by Easter, mark-ups will have to be completed several weeks before, again leaving time for drafting decisions made in committee. Realistically, subcommittee mark-ups would have to begin by March 15 in order for this to be possible.

In order for mark-up documents to be ready by March 15, drafting would have to begin in December and in earnest in January -- which means that we must as a practical matter be helping the committees prepare for mark-up even before they know for sure what changes will be necessary.

Phases of Activity

Thanksgiving through January

Between now and when Congress returns in January, our major task is to lay the foundation for a process that will unfold over the next eight months. Specific objectives for this phase are:

(1) determine what technical support the committees will need from the Administration

(2) work with leadership and committees to agree on timetable for mark-ups (and if necessary sequence of mark-ups)

(3) develop and implement a work plan for the Administration to provide appropriate technical support in a time frame consistent with a target mark-up schedule

(4) develop an outreach strategy with the Committee chairs and staff to use the recess to plan local validation events for targeted members who are most on the line and/or who need to be shored up

(5) explore concerns raised by individual members to begin to get a sense of what issues will require modification in committee

(6) work with the Committees to understand the scope of mark-up documents that will need be drafted over a period of months prior to mark-up in order for the mark-ups to stay close to a target schedule

(7) explore the possibility of coordinated mark-up documents -- it may be impossible but we should be open to a process that would make it possible within the House and the Senate to limit the scope of differences between the Committees

(8) meet with GOP members (Houghton, Shays, etc.) to discuss the numbers at length -- continue process of working them towards universal coverage choices

- Sections by section
  - DRUGS
  - [illegible]
- 100 pages
- Shorter version - Exec. Summary - 15 pages
- [illegible] - [illegible] - compendium

How to release

MAIL
- [illegible] -

Dinner w/ staff → Exec full council

John/Chris/ Bob Rowe
[illegible] Dilomeo, Greg Butler
J.K. Hart

Andrews

Lauren O'Donnell
Ed Koren - Dave Podoff
Paul [illegible]
[illegible] [illegible]
Joe G.
Kathy King
Jane Horvath

Mark Ohl

8:30 [illegible] [illegible] staff meetings

Later phases/time requirements

January up to mark-up

Beginning in January we will need to work extensively with the committee staffs to prepare for mark-up. At the same time, we will need to work extensively with the Committee members, particularly swing Members, to understand the limits of what the Committees can muster a majority for. We should facilitate the process by helping to create alternatives in as many situations as possible to avoid conflict. We should identify the issues where it is necessary or helpful for conflict to occur and try to steer the process away from conflict in other areas.

Mark-up

During mark-up we will need to be providing extensive technical support, and we will need to work with the Chairmen on rounding up votes. While we will want to avoid a proliferation of negotiations, we will be drawn into an increasing number at this point. To the extent that issues are exclusively within one committee exclusively, we will have the least chance to influence the process later on, and this may the best point to negotiate.

Mark-up through floor and onto Confernce

We will want to be most involved in negotiations as packages are prepared for floor action. We will need to work most aggressively on rounding up the votes in the full House and Senate. Following House and Senate passage, a long and contentious conference is likely to ensue. If we have developed our relationships correctly, this will be our opportunity to be most influential in the final outcome of the legislation.

8:45 — T/R in S220 office

am.
Cont Bldg M-F - 8:30

M/W - 5:30 - OMB meeting

→ What are policy

Meetings

8:30
8:45

M	T	W	R	F

What are hot issues

Andrews

Leg Staff Meeting