Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	General Targeting Strategy (38 pages)	nd	P5
002. memo	Chris Jennings to Hillary Clinton Re: Meeting with Senator Tom Harkin (2 pages)	12/15/93	P5

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

FOLDER TITLE:
December 1993 HSA [1]

Gary Foulk

gf113

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]

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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]
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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
RE: Meeting with Senator Tom Harkin
cc: Melanne, Steve, Distribution

December 15, 1993

Tomorrow afternoon you are scheduled to meet with Senator Harkin, his Legislative Director and long-time health person Peter Reinecke, and his Health LA, Ann Ford. (FYI, Peter used to serve on the House Aging Committee under Claude Pepper.)

BACKGROUND

The precurser for this meeting was some information we received from AFSCME, the anti-balanced budget vote counter, that asserted that Senator Harkin is planning to vote for the balanced budget amendment. He has apparently indicated that the most any one can expect from him is a procedural cloture vote that would support our position. We had thought you would take this opportunity to have a similar conversation with Senator Harkin that you and Dick Darman had with the House conservative Democrats. You may also want to discuss the deleterious impact the amendment would have on the appropriations process.

The stated purpose for this meeting, however, is to discuss his current feelings about the Health Security Act. We have told his staff that we want to take this opportunity -- as we are doing with others who, despite serious reservations, cosponsored the bill -- to thank Members for their support.

As you may recall, Senator Daschle has repeatedly stated that Senator Harkin was his last and most difficult Member to get on board as a cosponsor. Senator Harkin was very concerned that his cosponsorship would lead us to take him for granted. Moreover, he was very upset that we did not explicitly provide any fund for additional dollars to be made available for a NIH research trust fund. (He feels he was given fairly positive indications that we looked favorably upon his idea; in addition, since there is a somewhat similar provision in the Chafee bill -- that was pushed for by Senator Packwood, he thinks our omission makes him look particularly bad.) No doubt this issue will come up during your conversation.

Related to the research trust fund issue, Senator Harkin may raise concerns that we are expecting too much money to be available from the Appropriations Committee for our investment in Public Health and our needs for Administrative costs. (He will argue that the caps are going to get in the way.) His staff is interested in re-opening discussions on making dollars available over the Appropriations cap, much as we are trying to do with the WIC program. Today I suggested that we schedule a meeting with the staffs of Senators Kennedy, Byrd, Sasser and Harkin. Senator Kennedy's office and OMB expressed great interest in such a meeting. We are planning for such a meeting to take place in early January.

The other health care issue that he will likely raise concerns about will be related to rural health care. He is particularly concerned about the size of the Medicare cuts and how they will affect rural hospitals, especially those facilities now designated as Medicare dependent hospitals. He is also not overly confident that our plan in general works well in rural areas. (In response you can talk about how the majority of the Medicare hospital cuts come from disproportionate share payments and Graduate Medical Eductation -- two sources that primarily have an impact on urban-based hospitals. You may also want to indicate a continued willingness to be flexible on this issue. With regard to the other rural health issues, I believe you can focus as you always do on all the benefits of the plan with regard to rural communities. Attached is a draft memo on this issue that I thought you might find useful.)

Senator Harkin serves as the co-chair of the Senate Rural Caucus. Earlier today, his staff (Peter Reinecke) requested that the Administration conduct a briefing for the Caucus in early January. I said that we would be happy to so, and it is now in the process of being scheduled.

Lastly, FYI, we sent an Administration witness (Dena Puskin) to a rural health conference Senator Harkin held in Iowa on December 10, 11, and 12th. Lois Quam was going to go as well, but had a last second problem crop up with one of her kids. Senator Harkin's office was very understanding; in fact, Senator Harkin's wife is close to Lois Quam.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. profiles	House of Representatives (4 pages)	nd	P5
002. memo	Chris Jennings to Hillary Clinton Re: Senate Leadership Lunch (2 pages)	5/4/92	P5
003. profiles	Senate Democratic Leadership (8 pages)	5/2/93	P5
004. memo w/attach	Chris Jennings to Hillary Clinton Re: Kassebaum/Glickman "BasicCare" Meeting (7 pages)	5/5/93	P5
005. memo	Chris Jennings to Hillary Clinton Re: Meeting with Congressman McCurdy (1 page)	5/5/93	P5
006. memo	Chris Jennings to Hillary Clinton Re: Summary of David Pryor's Aging Committee Event (3 pages)	5/5/93	P5
007. profiles	Democrats on Senate Aging Committee (5 pages)	nd	P5
008. profiles	Republican Members of the Senate Aging Committee (6 pages)	nd	P5
009. memo w/attach	Chris Jennings to Hillary Clinton Re: Meeting with Senator Wellstone and Single Payer Groups (4 pages)	5/5/93	P5

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

FOLDER TITLE:
May 1993 HSA [2]

Gary Foulk

gf82

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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PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton May 5, 1993
FR: Chris Jennings
RE: Summary of David Pryor's Senate Aging Committee Event

Tomorrow morning, you are scheduled to join Democratic and Republican Members of the Senate Aging Committee for a closed "healthy" breakfast meeting to discuss aging issues and preventive health care. After the breakfast, the Aging Committee will convene a hearing on preventive health for older persons.

While the hearing will explore the senior prevention topic broadly, certain witnesses will stress that tobacco and alcohol are leading causes of disease, premature death, and health costs. Attached to this memo you will find a schedule for the morning and a copy of Senator Pryor's draft opening statement.

Purpose of the Hearing (Which Follows Your Meeting)

The hearing will emphasize that the U.S. health care system is aggressive in its diagnostic and treatment efforts once serious illnesses and injuries have occurred, but that it is negligent and short-sighted in investing in prevention. It will suggest that many of these illnesses and injuries could be avoided not only by investing in preventive services, but by individuals taking a greater degree of self-responsibility for their own health status.

The three leading causes of preventable health problems will be explored in detail: tobacco, alcohol, and poor diet. Specifically, one in four Americans will die as a result of the use of tobacco and alcohol. Tobacco killed an estimated 417,000 in 1990. Alcohol killed 107,000 in 1988.

Costs of tobacco and alcohol to society and the health care system will be quantified. The Aging Committee will release a Congressional Office of Technology Assessment study documenting that in 1990 tobacco cost society $68 billion, including $21 billion to the health care system. The latest study on alcohol concludes that the 1990 costs to society were $98 billion, including $12 billion to the health care system. This information will support any effort to move to increase disincentives (taxes) for unhealthy behaviors, such as smoking.

Background on the Senate Aging Committee

The Senate Aging Committee is a permanent oversight panel established in 1961. Although its House counterpart was recently eliminated, Senator Pryor defeated an effort to kill the Aging Committee on the Senate floor by 56-43. Senator Reid offered the amendment, even though he sits on the Committee (and will attend the breakfast). Senator Pryor made an emotional appeal to save the Committee. The Committee remains at risk because a Joint Committee on the Organization of Congress will put out a report as early as August which is likely to recommend cutting back on the number of Congressional committees.

Anything positive you can say about the Aging Committee would be deeply and personally appreciated by Senator Pryor. Positive comments would be welcome at the breakfast (because some of the Members voted against the continuation of the Committee), but particularly welcome at the 9:30 press availability. You might want to consider acknowledging some of the important work the Aging Committee has produced over the years. In particular, you could highlight its work on controlling drug costs, raising the special concerns of rural communities, highlighting the importance of home- and community-based long term care coverage, and publicizing the importance of cost-effective preventive health care interventions.

Members Attending the Breakfast Meeting

The following members have indicated they will attend:

Sen. Pryor, Chairman
Sen. Glenn
Sen. Bradley
Sen. Breaux
Sen. Reid
Sen. Graham
Sen. Feingold
Sen. Krueger
Sen. Shelby

Sen. Cohen, Ranking Minority
Sen. Pressler
Sen. Grassley
Sen. Simpson
Sen. Jeffords
Sen. Durenberger
Sen. Craig
Sen. Burns (arriving late)

Many of these Members are particularly critical to us, especially Bradley, Breaux, Graham, Cohen, Jeffords, Durenberger, and Burns. Attached for your information is a summary of the health backgrounds of each of the Aging Committee Members.

SCHEDULE

May 6, 1993

8:00 - 9:15 a.m. **Breakfast Meeting with Senate Aging Committee**
Russell Senate Office Building, Room 428A
(Small Business Committee Hearing Room)

Meet with members of the Senate Special Committee on Aging. Topics of discussion limited to aging issues and preventive health care. You can make a brief comment on these issues followed by a discussion moderated by Senator Pryor. Closed to press. Quick (two minute) photo opportunity for the media at the beginning of the breakfast meeting. Breakfast will be low-fat, specially overseen by cable TV personality Lynn Fischer, "The Low Cholesterol Gourmet," who will attend.

(Lead staffer: Jonathan Adelstein for Senator Pryor. Other majority and minority committee staff will be in the room for breakfast, but the hearing will be closed to staff of committee members.)

9:30 - 9:45 a.m. **Press Availability**

Lisa has okayed a brief statement to the press on the importance of aging issues, preventive health, and the role of the Senate Aging Committee. You will be joined only by Chairman Pryor and Ranking Republican Member Cohen. After a very brief number of questions, Senator Pryor will cut it off.

You then leave the Senate Office Building.

10:00 - 12:30 p.m. **Hearing of the Senate Aging Committee**

Title: "Preventive Health: An Ounce of Prevention Saves a Pound of Cure."
Witnesses will testify about the cost-effectiveness of preventive measures, even for the elderly. They will discuss the costs to society and the health care system of risky choices such as smoking, drinking alcohol excessively, and eating high-fat foods.

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton May 5, 1993
FROM: Chris Jennings, Steve Edelstein
RE: Meeting with Senator Wellstone and Single Payer Groups
cc: Melanne, Steve, Ira, Judy, Mike

Background:

Following up on your telephone conversation with Senator Wellstone last week, you are scheduled to meet with him and representatives of organizations which support the single payer approach to health care reform. Senator Wellstone has tried to keep the meeting size manageable by allowing each group to send only one representative. There will probably be about 15 groups represented at the meeting.

Yesterday, Chris spoke with Senator Wellstone and suggested that he call Congressman McDermott to advise him about this meeting and invite him to attend. Senator Wellstone assured him that he would, but as of this writing it is unclear whether the Congressman will be attending. In addition, this morning, Chris informed Barbara Smith of Congressman McDermott's staff of the meeting. She thought it would be no problem if McDermott did not attend.

Format:

Senator Wellstone will open the meeting and introduce you. It is then expected that you give brief remarks (5-10 minutes). After your remarks, Senator Wellstone will then turn it over to representatives of the organizations attending to give presentations on issues they care about.

Points to Hit in Your Remarks:

(1) **Shared Principles.** There is a lot of common ground between our approach and the single payer approach. We share a commitment to providing coverage to all Americans to a comprehensive set of benefits. We agree on the need to fundamentally overhaul our health care system to better control costs, reduce paperwork and streamline administration. We are also committed to maintaining quality and consumer choice.

(2) **State Flexibility.** State flexibility will be central to our plan. This will allow states to implement single payer models if they feel it best meets the needs of the people of that state.

(3) Health Care This Year. We share your sense of the urgency of the problem and the need to act sooner rather than later on health care reform. We have a great opportunity to pass health care reform this year.

(4) Praise Senator Wellstone. You may wish to thank Senator Wellstone for arranging this meeting and for his leadership and deep commitment to this issue.

Issues of Concern:

The groups will likely raise the following issues in their presentations:

(1) No Opt Outs. They advocate a single-tier system and feel letting groups opt-out will undermine this and may leave those left in the plan with inferior coverage and service.

(2) Fair Financing. They favor progressive tax-based financing rather than a premium.

(3) Comprehensive Benefits. They want the benefit package to be as comprehensive as possible including coverage for long-term care, mental health, and rehabilitation services.

(4) Public Accountability. They back consumer participation on all oversight and governing boards.

(5) Freedom of Choice. They believe consumers should remain free to pick their own doctors.

(6) Affordability. They oppose co-pays and deductibles for covered services.

(7) Universality. They want everyone covered with a fairly rapid phase-in.

Background Materials:

Attached for your information, is a background profile of Senator Wellstone and a memo by Mike Lux of Public Liaison on the groups who will be attending.

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.

Senator Wellstone has a strong interest in mental health and substance abuse benefits. He modified his previous bill to strengthen its mental health provisions. Last week (4/29), he attended a briefing by Mrs. Gore on mental health issues for Members of Congress and staff. Wellstone expressed his strong support for including mental health servcies in the benefits package. He also raised the possiblity of forming a Senate Mental Health Working Group along the lines of the group lead by Congressman Kopetski in the House. Other concerns include rural health, consumer choice and state flexibility (so that Minnesota might pursue a single payer option).

Recent Developments: Senator Wellstone indicated concern regarding talking points distributed by the Task Force to the members of Congress, particularly how single payer was characterized. At the retreat, he stated that he doesn't want anyone to be able to opt out of the Purchasing Cooperative because he fears that healthy people will opt out.

THE WHITE HOUSE

WASHINGTON

May 5, 1993

MEMORANDUM FOR CHRIS JENNINGS

SUBJECT: HRC Meeting With Senator Wellstone

FROM: Mike Lux

I have divided the single payer groups attending the Wellstone meeting into three different categories:

1. Groups that are realistic and are working very constructively with us to get a package they can support:

AFSCME
Communications Workers of America
National Farmers Union
ILGWU

2. Groups that have been very tough negotiators, and are a little more purist than those in the first category. We can probably get these groups on board in the end.

Consumers Union
Citizen Action
National Council of Senior Citizens
Church Women United
National Association of Social Workers
American Public Health Association

3. Groups that are more pure, and are totally committed to a single payer approach. Whether we ever get them on board is a real question.

Public Citizen
Neighbor to Neighbor
NETWORK
Gray Panthers

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Re: Meeting with Senator Moynihan (3 pages)	1/24/94	P5
002. memo	Chris Jennings to Hillary Clinton Re: Moynihan Meeting (1 page)	1/24/94	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23745

FOLDER TITLE:
January 1994 HSA [1]

Gary Foulk

gf114

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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Presidential Memo

THE WHITE HOUSE

WASHINGTON

January 24, 1994

MEETING WITH SENATOR MOYNIHAN

DATE: January 25, 1993
LOCATION: Oval Office
TIME: TBA
FROM: Pat Griffin

I. PURPOSE

- To make a personal request that the Chairman work closely with you and the rest of the Administration in reporting a health reform package out of the Finance Committee, (which meets the "bottom line" requirements), by no later than the Memorial Day recess. You need to ask Senator Moynihan to adopt your priorities as his own.

- To advise him that you believe we need to get the health care bill on the floor and passed by the July 4th recess in order to get an acceptable package through a difficult conference and then onto final passage. To tell him directly that you believe that he is indispensable to ensuring health care is enacted.

- To indicate that you will instruct the Administration to work closely with him and his staff (as we are already doing) to address New York-specific concerns about health care, e.g., impact on the Medicaid program, state and local employees, and medical education and research facilities.

- To ask him if there is anything the Administration can do to better assist him in crafting a legislative initiative that can be passed through his Committee, while retaining your "bottom line" priorities. You need to advise him of your belief that the product of the Finance Committee will carry the most weight on the Senate floor.

- To re-emphasize your interest and commitment to welfare reform, to outline a Spring timetable for introduction of such a bill, to describe how closely you feel health care and welfare reform are linked, i.e., that you can't achieve welfare reform without health reform and, finally, to tell him that you will be making all of this clear in your State of the Union address.

THE WHITE HOUSE

WASHINGTON

II. BACKGROUND

Today Senator Mitchell made clear that he felt it would take a direct request from you to keep Chairman Moynihan and the Finance Committee to a schedule that ensured that a bill, reported out of the Finance Committee, could be debated on the Senate floor by June. Without his personal commitment to doing so, it is clear that the Finance Committee could drag its feet on producing such a bill until at least the August recess. Should this occur, it would be virtually impossible to get a bill passed by the Congress that you were comfortable with signing. (This is because the delayed legislative process would almost guarantee that no bill was produced OR any bill that was produced would be watered down.)

Senator Mitchell suggested that you call Senator Moynihan. Following your conversation with the Finance Committee Chairman, he and you concluded a face to face meeting tomorrow would be advisable.

Chairman Moynihan's damaging "fantasy" and "no health care crisis" remarks are well known and do not need further mention. However, we must find ways to ensure that, to the extent possible, there are no other such statements. The only way most Moynihan followers believe this is possible is that he becomes as invested in getting the health care initiative passed as you do. Tomorrow's meeting will hopefully begin to serve that purpose.

Other high priority issues besides welfare reform that the Chairman has recently raised, and may do so again, are:

(1) The Medicaid formula, which he believes disproportionately helps the southern states and hurts New York;

(2) The impact of the reorientation of an emphasis from specialty training to primary care training of physicians on New York teaching and research facilities; and

(3) Making the Social Security Administration an Independent Agency outside the confines of the Department of Health and Human Services.

Lastly, a reminder of the "bottom line" issues that Ira forwarded to you today:

(1) **Universal coverage** by the end of the decade that utilizes an employer-based system;

(2) **Comprehensive benefits** that are defined;

(3) **Insurance market reforms** that guarantees an end to insurance discrimination through the use of community rating and large risk pools;

(4) **Cost containment** that has an enforceable backstop; and

(5) **Upgraded senior benefits if there are significant Medicare savings.**

IV. PARTICIPANTS

The President
The First Lady
Chairman Moynihan and his staff, Lawrence O'Donnell
Pat Griffin or Steve Ricchetti
George Stephanopoulos

V. SEQUENCE OF EVENTS

Senator Moynihan arrives at to be announced time.

The President opens up meeting and calls on the First Lady to make a few remarks about how appreciative important she (also) believes that the Chairman will be to the upcoming legislative process and how much she believes his assistance will be critical to a successful outcome.

VI. PRESS PLAN

Closed press. (White House photographer will be present.)

HRC file

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

DETERMINED TO BE AN ADMINISTRATIVE
MARKING Per E.O. 12958 as amended, Sec. 3.2 (c)
Initials: DJ Date: 8·18·65

TO: Hillary Rodham Clinton
FR: Chris J.
RE: Moynihan meeting
cc: Melanne

January 24, 1994

Attached is the memo Pat G. asked me to draft in preparation for the tomorrow's meeting with Senator Moynihan, the President and you. The time has not been locked in yet (as of 8:30 tonight) and I do not believe it will be listed on the publicly distributed schedule.

Update of info not included in the memo: Today we held our New York Medicaid briefing with the Finance Committee staff. I believe it went very well and the staff all seemed to come to the conclusion that our analysis was much more sound than that of the State of New York. During the course of the meeting, however, it became clear that Chairman Moynihan is definitely concerned about the medical education issue/impact on New York's teaching facilities. We plan on holding another briefing on this subject for his staff within the next week or so.

One additional bit of information: the Chairman is holding a Members only meeting with his Committee this Wednesday to discuss health care. I am not sure what all is on the agenda, but I do know that he plans to give the Members a list of about 17 hearings he wants their approval to hold from February through mid April. In addition, he wants to discuss the advisability of having a Finance Committee Members retreat in mid March. (I do not believe we are supposed to know this information.) At any rate, I think this is good news because it illustrates that he is at least invested enough in this issue to start the Committee process in earnest.

If you need any additional information, don't hesitate to call me either at home tonight or tomorrow morning at the office.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings to Pat Griffen, Harold Ickes Re: Meeting with President, First Lady and Moderate Republicans (3 pages)	2/13/94	P5
002. briefing paper	Meeting with Senate Republicans/Mitchell and Dem Chairs (3 pages)	2/21/94	P5

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

FOLDER TITLE:
February 1994 HSA

Gary Foulk

gf115

RESTRICTION CODES

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

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PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Pat Griffin, Harold Ickes February 13, 1994

FR: Chris Jennings

RE: Meeting with President, First Lady and moderate Republicans

cc: The First Lady, Ira, Steve, Greg, Jeff, Maggie, Melanne, Jack

Following up on the proposal Senator Mitchell made at last week's Leadership meeting to invite and meet with a group of moderate Senate Republicans prior to the Senate Republican retreat in early March, I am enclosing a draft scheduling request to Ricki S. I would appreciate your reviewing and, if necessary, editing it, so that we can get it into Ricki in enough time for her to schedule this critical meeting.

Senator Mitchell is now reviewing the list of invitees that he would suggest. As I mention in the attached, I have no doubt it will include: Senators' Dole, Packwood, Danforth, Chafee, Durenberger, Kassebaum, Jeffords, Cohen, and Hatfield. It may also include the likes of Senators' Specter, Bond, Hatch, and Bennett. As soon as I know, I will forward it on for final review.

As with any meeting with Republicans, we run the risk of making them feel like we are attempting to "pick" them off. They are ultra paranoid about this. Because Senator Dole and most of the higher ranking Republicans on the Committees of jurisdiction are on our list, we (and our Republican guests) have some cover and should not be as vulnerable to this charge. (It would be much more problematic if we attempted to conduct this meeting with our House Republican moderates.) However, I mention this issue because it pervades the center and right ranks of the Republican Senate club, and it makes for nervous relationships.

Lastly, if we are all in agreement that we should proceed with this meeting, I would like to inform Senator Dole's office as soon as possible -- even if we do not have a time locked in yet. The sooner we inform them that we are trying for a meeting, the less likely they are to see it as an attempt to influence the work at their retreat.

Schedule Proposal date 2/13/94

____ACCEPT ____REGRET ____PENDING

TO: Ricki Seidman

FROM: Pat Griffin, Steve Ricchetti, Chris Jennings

REQUEST: Following up a suggestion by Majority Leader Mitchell, to host a meeting at the White House with key moderate Senate Republicans, along with Senator Mitchell, Chairman Moynihan, and Chairman Kennedy.

PURPOSE: To send a much needed and strong signal to moderate Senate Republicans that the Administration is serious about working with them to develop a bipartisan health reform initiative. To halt an attempt to move these Members to the right toward the other Republicans within the Senate, thus making it more difficult to attract them to our side and making a satisfactory reform proposal more difficult to achieve.

BACKGROUND: In early March, the Senate Republicans are going to a retreat to, among other things, attempt to unify all 43 remaining Republicans (Senator Jeffords is already on our bill) behind a proposal that bridges the differences between the Chafee proposal (that now has over 20 cosponsors) and the Nickles/Hatch/Gramm proposals (that now have over 20 cosponsors as well.) If this occurs, there may well be more than enough votes to sustain a vote against cloture and a Republican led fillibuster could kill the President's chances in getting a bill. Regardless, a unified Republican position would serve to water down the reform initiative that the President has proposed and make it much more difficult to retain the liberal Democratic base that the President needs to get a bill out of the Senate and in a shape that is acceptable to the House.

With this in mind, Senator Mitchell proposed (and the President agreed at the Leadership meeing) that the President meet with a select group of moderate Republicans, the two Senate Democratic Chairmen of primary jurisdiction, and himself before March 2nd. The list of suggested Republicans is now being reviewed by the Majority Leader, but it is sure to include: Senators' Dole, Packwood, Danforth, Chafee, Durenberger, Kassebaum, Jeffords, Cohen, and Hatfied. (There may be a few others.)

PREVIOUS PARTICIPATION:	NONE
DATE AND TIME:	Between February 22nd and February 28th, preferably sooner rather than later.
DURATION:	To be determined
LOCATION:	The White House
PARTICIPANTS:	President, First Lady, and others to be determined
OUTLINE OF EVENTS:	To be determined
REMARKS REQUIRED:	To be determined
MEDIA COVERAGE:	Closed
FIRST LADY'S ATTENDANCE:	Yes
VICE PRESIDENT'S ATTENDANCE:	To be determined
SECOND LADY'S ATTENDANCE:	To be determined
RECOMMENDED BY:	Pat Griffin
CONTACT:	Chris Jennings x62645

Presidential Memo File

THE WHITE HOUSE

WASHINGTON

February 21, 1994

MEETING WITH SENATE REPUBLICANS/MITCHELL AND DEM CHAIRS

DATE: February 22, 1994
LOCATION: Red Room and Old Family Dining Room
TIME: 7:30 pm
FROM: Pat Griffin

I. PURPOSE

- To reinstitute an open and constructive dialogue with Republicans without giving any appearance (whether privately or publicly) of negotiating.

- To illustrate commitment to work with Republicans in the Senate who are serious about health reform and (hopefully) to increase hesitation among moderate Republicans to be open to forming a coalition with conservative Republicans.

- To lock in commitment for universal coverage and to hold frank discussion about the political and policy concerns surrounding alternatives to the combination employer/individual requirement included in the Health Security Act (e.g. the shortcomings of the individual requirement).

II. BACKGROUND

On March 3rd and 4th, the Senate Republicans are holding a retreat to, among other things, attempt to unify all 43 remaining Republicans (Senator Jeffords is already on our bill) behind a proposal that bridges the differences between the Chafee proposal and the Nickles/Hatch proposal. (Each bill has approximately half of the Republicans.) If a compromise position emerges, there may well be more than enough votes to sustain a vote against cloture on a filibuster. Regardless, a unified Republican position would serve to water down the reform initiative that you have proposed and make it much more difficult to retain the liberal Democratic base that the Administration needs. With this in mind, Senator Mitchell proposed at the Leadership meeting a week and a half ago to meet with a select group of Republicans and the two Senate Democratic Chairmen of primary jurisdiction. The list of Republicans: Dole, Kassebaum, Packwood, Chafee, and Nickles was selected by Senator Dole.

The fact that this dinner/meeting is taking place has become very public. This is unfortunate because it raises all sorts of speculation, most problematic among the House Democrats, that you are beginning a negotiation with the Senate Republicans on health reform. (This feeds into their fear that ,the Administration will not back up the House if they take a difficult position on the employer mandate.) We must go to some efforts to make certain that no one leaves this meeting with that perception. We suggest that an open and frank discussion about the shortcomings of an individual mandate might be the best way to achieve this. (See below.)

III. AGENDA ITEMS

1. Appreciation for Coming and Commitment of Desire to Work Together. With the exception of Senator Nickles, the Republican invitees have worked for years on health care policy at a Federal level. Dole, Chafee, Packwood, and Kassebaum will be critical to us having any opportunity to attract and retain Republican votes. Acknowledgement of their longstanding history in health care is appropriate and should break some ice.

2. Discussion of Commitment to Universal Coverage and How to Get There. All of the Republican attendees have all stated their commitment to universal coverage. That fact should be noted, but a discussion of the limited ways to get there would be constructive. More specifically, you may want to outline the problems surrounding an individual mandate.

- I am sure we'd all agree there is little appetite for a major new tax to pay for extending coverage to every American.

- We don't believe you can achieve universal coverage with an individual mandate. It is likely that an individual will be required to pay too large a share of their personal income for health care or possibly require a Federal subsidy the size of which would be prohibitive.

- Tell me why I am wrong.

IV. PARTICIPANTS

The President
The Vice President
The First Lady
Mrs. Gore

Pat Griffin
Harold Ickes
Ira Magaziner
Mack McLarty
George S.

Majority Leader Mitchell
Republican Leader Dole
Chairman Kennedy
Chairman Moynihan
Senator Chafee
Senator Kassebaum
Senator Packwood
Senator Nickles

John Hilley
Sheila Burke

V. SEQUENCE OF EVENTS

Members and staff arrive at 7:30 at the Red Room for Cocktails.

Informal greetings take place.

Guests go to Dinner in Old Family Dining Room. The President and the First Lady open up discussion, prefaced by statements of appreciation for attendance and sincere desire to work together to craft a bipartisan health reform bill.

VI. PRESS PLAN

Closed press. (White House photographer will be present.)

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Hillary Clinton Re: Information You Requested on Moynihan/Mitchell Meeting and Buisnesses That Are Endorsing Us (8 pages)	2/17/94	P5

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

FOLDER TITLE:
March 1994 HSA [2]

Gary Foulk

gf116

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]

HRC Memo #4

MEMORANDUM

TO: Hillary Rodham Clinton March 17, 1994
FR: Chris J.
RE: Information You Requested on Moynihan/Mitchell meeting and businesses that are endorsing us
cc: Melanne

I will try to talk to you tomorrow, but I thought I would give you a brief update as to what went on in the Mitchell/Moynihan meeting in case we don't see you.

In summary, the goal of the meeting was to establish an agreement with Senator Moynihan that it would be constructive to develop, to the extent possible, a unified Democratic Finance Committee Member health reform position. The idea behind this strategy is that a unified Democratic position would increase pressure on moderate Republicans to negotiate with Democrats.

Senator Moynihan seemed generally receptive to the idea of working with Democrats on a position. And, Senator Mitchell is going to work quickly to try to implement this idea. However, the Chairman did say he felt that it is the Republicans on his Committee who are most "passionate" about health care. The only Democrat who he felt matched their passion was Senator Rockefeller.

Moynihan is still obviously pursuing a Dole strategy. He still is talking about getting 75 votes OR 40 votes on the Senate floor. He said that "you (the President) and the First Lady will be pleased to know that every one who has come before his Committee -- including small business reps -- are committed to seeing universal coverage, enacted into law." He gave no hints of what he thought would be in final bill.

The issue that got Moynihan most engaged was that of academic health centers. He feels they are "different and should be treated differently." He was very interested to hear about the President's trip to Boston and said he would be very interested to have his staff talk with Ira's staff about options to improve their plight. (He said he felt that the President's proposal accelerated the negative trend of the current system.) We will be setting up a briefing very soon.

Senator Mitchell privately mentioned to the President that we got hit hard from business witnesses at the Finance Committee hearing. We have forwarded to his office the attached list of big business supporters that you wanted the President to have. (He has yet to see this.) In addition, we will be forwarding our small business list tomorrow.

As promised, I am forwarding a copy of the memorandum that was given to the President in preparation for today's meeting with Chairman Moynihan.

Lastly, Melanne, Jack and I think it would be a good idea if we could get together when you get a free moment to give you a briefing on the state of affairs at the Committees. There is a lot going on that is quite interesting, although it remains unclear where it will end up. Talk to you soon...

THE WHITE HOUSE

WASHINGTON

March 16, 1994

MEETING with CHAIRMAN MOYNIHAN and MAJORITY LEADER MITCHELL

DATE:	March 17, 1994
LOCATION:	Oval Office Dining Room
TIME:	4:45 to 5:15 pm
FROM:	Patrick Griffin

I. PURPOSE

PRIMARY PURPOSE:

- **To follow-up on Senator Mitchell's suggestion to begin a process to hammer out the "bottom-line" policy parameters that Senator Mitchell and Senator Moynihan believe will be necessary to get a bill out of the Finance Committee.**

SECONDARY, BUT OTHER IMPORTANT PURPOSES:

- To thank the Chairman for his generally constructive comments during the last few weeks, particularly those relating to the need for some type of employer requirement and some sort of premium cap to assure cost containment.

- To praise him and his Committee for their very constructive, informative hearings. (He is very proud of these hearings.)

- To get a sense where the Chairman feels his Committee stands with regard to health reform. (He has been holding one-on-one meetings with his Members during the last few weeks).

- To confirm that Chairman Moynihan remains resolute in his commitment to get a bill out of Committee that provides for universal coverage by early June.

II. BACKGROUND

Last week, in your meeting with Senator Mitchell and Senator Kennedy, the Majority Leader suggested a strategy to commence negotiations on the health reform bill. He asked that he be empowered to attempt to work out "bottom-line" positions on separate, but parallel tracks with the Finance and Labor Committees. He said he thought he should begin with the two Chairmen in meetings with you. (Assuming these meetings were constructive, Senator Mitchell said it would be his intention to try to gain consensus on these issues with the Democrats on the respective Committees; assuming success with the Democrats, he would then proceed with outreach efforts to the moderate Republicans on the two Committees.) Tomorrow's meeting represents the beginning of the implementation of this strategy.

In recent weeks, Senator Moynihan has been more constructive with his public comments about health reform. His statements about the need for an employer role in the financing of the plan, as well as the need for back-up premium caps have been very encouraging. Even though he still has significant concerns about the Health Security Act, his public comments about those concerns have been much more tame.

Among the Chairman's major concerns: (1) he believes the cost containment targets are overly ambitious; (2) he believes the alliances could fall victim to politicalization; (3) he believes that the employers should maintain the role of choice of plans so they retain more of an interest in containing costs -- in other words, he does not believe our commitment to family choice of plans is essential; (4) although he believes in the employer requirement, he does not see it passing the Committee or the Senate without an exemption for small firms, and (5) he wants to make certain that he can say New York got at least its fair share of Federal dollars in any health reform. (On the latter point, he has particularly focused on the Medicaid Federal/State match formula and the bill's impact on teaching hospitals.

Senator Moynihan loves being Chairman of the Finance Committee. He believes that his Committee will produce a package that is closest to the bill that will eventually make it to your desk.

In preparation for Committee action, Senator Moynihan is hosting a bipartisan retreat for all of his Members on Sunday and Monday. The Administration won't be invited. The Administration has not been invited to attend; instead, he has asked a number of notable economists and health policy specialists that we believe will be generally balanced. Although we are not participating, we have tried to be as responsive as possible to his staff in providing background policy information.

Moynihan's great desire is to report out a bill that has significant, bipartisan support, including support from Bob Dole. He would like 15 Members of his 20 Member Committee to vote out the bill.

Our current read of the Membership is as follows: Without too many major changes, we have six certain votes with Mitchell, Pryor, Daschle, Rockefeller, Baucus, and Riegle. Bradley, Boren, Breaux, Conrad and Moynihan will want substantive changes in some or all of the following: the employer mandate (will want less of a required contribution by business and likely exemptions for small firms); the alliance structure, and some state-specific issues.

Movements in the direction that the more conservative Democrats want will hopefully attract some of the moderate Republican Members: Packwood, Dole, Chafee, Danforth, and Durenberger. However, there is little question that the Republicans will probably want more than what is necessary to attract Democrats. The trick here is to find a process by which we can get as many members of the Committee appeased by as few as changes as possible. A discussion on how best to achieve consensus among the Finance Members might be useful to have with the Chairman.

III. AGENDA ITEMS

1. Discussion of Best Strategy for Finance Committee Action.

IV. PARTICIPANTS

The President
Majority Leader Mitchell
Chairman Moynihan
John Hilley
Lawrence O'Donnell
Pat Griffin
Chris Jennings
Ira Magaziner
Steve Ricchetti

V. SEQUENCE OF EVENTS

Informal. Greet and start meeting.

VI. PRESS PLAN

Closed press. (White House photographer will be present.)

CORE BIG BUSINESS SUPPORT

NAME/CEO	COMPANY	STAFF TELEPHONE/FAX	CEO TELEPHONE FAX
Dwayne Andreas, Chairman and CEO	Archer Danials Midland Company		217/424-5515 217/424-5581 CLaudia
Curtis H. "Hank" Barnette, Chairman and CEO	Bethlehem Steel Company	Bill Wickert 202/775-6200 202/775-6221	610/694-6137 617/694-3686
August A. Busch III, Chairman and President	Anheuser-Busch, Companies, Inc.	Rich Keating 202/293-9494 202/293-9594	314/577-3316
Garry N. Drummond, CEO	Drummond Company, Inc.	Joe Bilich (only if Garry is absent)	205/945-6502 205/945-6521 Sharon
Robert J. Eaton, Chairman	Chrysler Corp.	Wally Maher 202/862-5400	313/956-6728
John W. Hechinger, Sr. Chairman	Hechinger Company		301/341-1000
David H. Hoag, Chairman and CEO	The LTV Corp.	Doug Brook 202/872-5523	216/622-5300
John F. Smith, Jr. President	General Motors Corp.	James D. Johnston 202/775-5090 313/556-4671	313/556-5000
Stewart Turley, Chairman, President and CEO	Eckerd Corp.	John Scheels, Dir. Gov. Affairs 813/399-6329	813/399-6333
Alan L. Wurtzel, Chairman	Circuit City Stores, Inc.		202/265-3232 202/265-3019 Sharon
C. A. Corry, Chairman and CEO	USX Corp.	Terry Straub 202/783-6333 202/783-6309	412/433-1121

NAME/CEO	COMPANY	STAFF TELEPHONE/FAX	CEO TELEPHONE FAX
Robert "Bob" L. Crandall, Chairman, President, CEO	American Airlines	DeeGee Wilhelm 202/857-4202 Ed Faberman 202/857-4202	817/963-1234
Victor Lund David Maher	American Stores		801/539-4402 h801/582-6109 f801/531-1369
Thomas M. Downs, President and Chairman	AMTRAK	Tim Gillespie 202/906-3000	
Owsley Brown, II, President and CEO	Brown Foreman Corp.		
Alex Trottman, Chairman and CEO	Ford Motor Co.	Elliot Hall 202/962-5371 202/962-5456	
Harold (Red) Poling, Former Chairman and CEO	Ford Motor Co.	Elliott Hall 202/962-5371	
Martin Davis, Chairman and CEO	Paramont Communications	Larry Levinson 202/429-9690	
Roberto del Rosal, President and CEO	Bacardi Corp.		
Earl Graves, CEO	Earl G. Graves, Ltd.		212/242-8000
Alex Grass, Chairman and CEO	Rite Aid Corp.	James Krahulec 717/975-5710 717/975-3760	717/975-5710 717/975-3760
Peter Manos, CEO	Giant Food	Barry Scher 301/341-4100	
George McCarthy	Hiram Walker Group	Nancy Jessick 202/628-5877	313/965-6611 #275 519/971-5716
Robert Hannan, President and CEO	Thrift Drug		412/967-8745 412/967-8293 Lola Burkhart

NAME/CEO	COMPANY	STAFF TELEPHONE/FAX	CEO TELEPHONE FAX
John McDonnell, Chairman and CEO	McDonnell Douglas Corp.	Tom Culligan	703/412-3807
Ronald L. Ziegler	NACDS	David F. Lambert, III 703/549-3001	703/549-3001 703/836-4869
A. Malachi Mixon III, Chairman of the Board, President and CEO	Invacare Corp.		216/329-6000 216/366-9008
Bernard Schwartz, Chairman and CEO	Loral Corp.	Fred Rhodes 703/412-0168 703/412-5508	212/697-1105 212/867-1147

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Meeting with Senator Feinstein (8 pages)	7/21/94	P5

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

FOLDER TITLE:
July 1994 HSA

Gary Foulk

gf118

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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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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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)]

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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

July 21, 1994

MEETING WITH SENATOR FEINSTEIN

Date: July 22, 1994
Location: Oval Office
Time: 1:40 - 2:10 PM
From: Patrick J. Griffin

I. PURPOSE

- To recognize her difficult political position while underscoring the importance of health care reform to your Presidency and the Democratic Party.
- To illustrate your flexibility and willingness to compromise for a bill that achieves universal coverage, particularly in regard to issues related to small business.
- To use your comments before the NGA to your advantage as a tangible example of your openness to alternatives which reach your bottom line goal.
- To lock in her support for the Mitchell bill which addresses her concerns particularly with regard to small business and premium caps.

II. BACKGROUND

Senator Feinstein's overriding concern is her reelection which many now consider to be a toss-up. Once a cosponsor of the Health Security Act, she is the only Senator to remove his or her name from the bill. Pro-reforms groups are escalating their pressure on her to try and win back her support and have reported some positive progress. Her Republican opponent, Rep. Mike Huffington, has criticized her for backing away, saying: "it's the only principle of a career politician. Save your own skin."

On health care reform, she is sending mixed signals and is very vague about whether or not she will be there for the White House when needed. The Senate vote-counters are very nervous about getting her vote in the end. However, the issues about which she is concerned - small business, bureaucracy, cost containment, and premium caps - are all addressed in the Mitchell bill. She has said she would be open to a compromise if it helps small businesses.

In a July 14 conversation with Secretary Reich, Feinstein made clear that she prefers CALPERS, California's voluntary pool, to an employer mandate and she does not understand why a mandate is necessary. While not completely closed to the mandate concept, she was getting more so every day. Second, she expressed her displeasure with the DNC ads, particularly the one featuring Rep. Gingrich, because she felt they made all of Congress look bad and hurt her re-election chances. Finally, she noted that she was not hearing from her constituents on health care.

A DNC surrogate speaker, Dr. Sue Bailey, met with Feinstein at a fundraiser Monday evening and reported:

- On health care reform: The Senator was very angry, arguing that Congress had not been adequately consulted about constituent concerns prior to introduction of the HSA. She said she was no longer a cosponsor because the bill was not popular at home. She could not support an 80-20 employer mandate and wanted more state control. She said the Finance Committee mark was closest to her current thinking.

- On her re-election: She felt she was not getting enough help from the DNC, particularly financially. She would like more help in her race from both the White House and the DNC.

Dr. Bailey's impression was that sufficient attention to her reelection concerns could overcome the Senator's reservations on health care reform.

III. PARTICIPANTS

The President
Senator Feinstein
Patrick Griffin
Harold Ickes

IV. SEQUENCE OF EVENTS

Closed meeting with Senator Feinstein in the Oval Office.

V. PRESS PLAN

Closed Press. (White House photographer will be present.)

THE WHITE HOUSE

WASHINGTON

July 19, 1994

MEMORANDUM FOR LEON PANETTA

FROM: PATRICK GRIFFIN

SUBJECT: HEALTH CARE STRATEGY OPTIONS

As we discussed last night, there are two legislative strategy options which should be presented to the President this evening. This memorandum will outline both options and the pros and cons for each. Both choices are based on the same evaluation of where we are today and the same strategy for the remainder of this week.

PLAN FOR THIS WEEK

The Senate's ability to maintain a majority for a mandate is clearly the factor which is most directly driving whether or not the mandate can survive congressional votes. The crucial task for this week is to make a final push to determine whether there are fifty one votes in the Senate or not. In order to make this determination, the President needs to engage with the swing Senate votes intensively. In his meetings with Senators, the President will need to be very direct about the stakes for both his Administration and the Democratic party -- a scorched earth speech which holds nothing back.

This strategy purposely ignores the House for the balance of this week, during which time the leadership and the committees would complete work on a consensus universal coverage bill with a mandate. This is consistent with the signals we are getting from the House leadership which indicate that the only reason they would not move forward with such a bill would be if the Senate fails to produce a majority for universal coverage.

By Friday, the President and Majority Leader Mitchell must arrive at a conclusion about whether or not there is a realistic potential for a majority in the Senate for a mandate. If there is, then Senator Mitchell will move forward with a bill that provides a mechanism to reach universal coverage. We expect that this would include an automatic fallback to a fifty/fifty mandate if Congress fails to approve an alternative plan to achieve universal coverage.

If the President and Majority Leader Mitchell determine that it is unlikely, or impossible, that a majority can be achieved in the Senate around a mandate approach, a strategic choice must be made about how to proceed.

OPTION ONE

Senate proceeds as quickly as possible to the floor with a bill which would provide for a mandate, with the clear understanding that a vote to strike the mandate is likely to pass. The Administration and our Senate allies would make an all out effort to sustain the mandate, with the outside chance of winning.

To have an adequate amount of time to sell the proposal, Senator Mitchell would unveil his proposal as early as the beginning of next week. From that moment on, we would have to have five days in order to frame the debate, a portion of which would likely coincide with the floor debate on this proposal. [As an alternative, Senator Mitchell could proceed in the same manner, but reserve the option of substituting an alternative vehicle at the last minute when the outcome is clear, and thereby avoid losing a vote.]

If the vote to strike the mandate carries, the President would convene a mini-summit with House and Senate Democratic leadership to decide whether to proceed immediately with the underlying Senate bill (with the addition of a soft trigger mechanism) or to review other substantive options (such as covering kids first).

The compromise Senate bill would constitute a non-mandate fallback--a combination of insurance reforms that provide as much protection as possible while minimizing increases in rates for the currently insured, and substantial targeted subsidies that would increase the number of insured to over ninety percent, but not attain universal coverage. [For House liberals to be satisfied, the House bill would have to include medicaid integration as well.]

In either case, the objective would be to resume Senate action almost immediately to pre-empt a campaign being waged against the remaining provisions. [If Senator Mitchell chooses the alternative approach, the Senate would proceed directly to the substitute vehicle (without losing a vote) -- which presumably will have a majority, and potentially a filibuster proof level of support.]

In order to pass even the scaled back approach, there would still be a significant fight in the Senate, but we can expect at least some Republican votes for a non-mandate approach to increase coverage through subsidies and insurance reform.

ARGUMENTS IN FAVOR OF OPTION ONE

(1) Permits the President the opportunity to demonstrate strong commitment to his original principles and avoid characterization of the President as too quick to compromise.

(2) Provides a vehicle for outside groups, congressional allies and other supporters to wage an all out fight right to the end.

(3) Provides opportunity to develop strongest message.

(4) Avoids putting House in the position of voting for a mandate and then being BTU'ed.

(5) Provides time to determine with near certainty whether or not there is a majority in the Senate for mandates.

(6) Allows time to develop the best possible fallback while there is still a fight being waged, maximizing the bargaining position of our allies. This would be particularly true if the leadership follows the alternative approach and holds out the option of avoiding a mandate vote.

(7) The left in the House will not feel abandoned.

ARGUMENTS AGAINST OPTION ONE

(1) Risks the appearance that the President is being dragged to a compromise deal after a defeat.

(2) If the mandate vote loses there is every reason to believe that Senator Mitchell will lose leverage, and House leaders will lose leverage with their moderates. [If Senator Mitchell substitutes a compromise vehicle to avoid losing a vote, this could be prevented.]

(3) Because time is so tight, the Senate effort to fight for the mandate may be undermined since the House and Senate leadership will be simultaneously developing and floating fallback positions for a non-mandate approach while the Senate is still fighting for the mandate.

(4) Opponents will argue that the residual approach is a tax and spend approach -- too big, creating expensive new entitlements, relying on new taxes for funding.

(5) If there is a mini-summit to review alternatives, there is a risk of delay, which would seriously undermine efforts to win a vote on a substantial fallback package.

(6) There is not likely to be a single fallback bill, which will complicate the job of communications. The House will need to include provisions important to the single payor votes (possibly an opening of Medicare Part C in a voluntary world and certainly a state single payor option) which the Senate would be unlikely to include.

OPTION TWO

At the end of this week acknowledge that there is not a majority in the Senate for a mandate. Have the President take the lead in seeking a sustainable middle ground. The next week would be spent developing a middle ground and fighting for it rather than the mandate.

In order to achieve success with this alternative, a massive outreach effort will be required with our base supporters in the Congress and with our groups. This will entail numerous meetings between the President and our supporters. The time necessary for this outreach effort and for developing the policy alternative will mean that the bill could not reach the respective Congressional floors before the week of August 1st.

ARGUMENTS IN FAVOR OF OPTION TWO

(1) President would be ahead of the debate rather than catching up after a defeat.

(2) The President will have the ability to define the package in a way which confers legitimacy upon it (even in terms of the definition of universal coverage).

(3) The Administration has the potential to be viewed as less dogmatic and ideological about its approach and more aligned with a centrist legislative agenda.

(4) The House will have the ability to devise a package for floor consideration with full knowledge and disclosure of where the Senate majority is moving.

(5) This package has a potential for real bi-partisan support up front, satisfying the request of some Senate Democratic moderates.

ARGUMENTS AGAINST OPTION TWO

(1) Negotiations with moderates takes place with very little leverage and the scope of the fallback is likely to shrink.

(2) President appears unwilling to engage in final battle for his top priority, and will appear to be abandoning a central principle of his health care effort, and the real meaning of his veto threat.

(3) Supporters, particularly on the outside, feel abandoned. They sincerely believed his veto threat and agreed to follow the President down the difficult road of universal coverage. This may cause long term damage among the groups and among some members of Congress.

(4) The elite media is extremely likely to charge that you have broken your holding up the pen veto promise and will spend weeks if not months suggesting that the President is a "waffler."

(5) House and Senate liberals may move away from the package permanently.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

To: Hillary Rodham Clinton

From: Chris Jennings

Re: Phone Calls to Senators

Date: July 15, 1994

Following up on our meeting yesterday, we (Pat, Steve and I) have developed an updated list of where we believe our Senate members are in regards to health reform. As you will note, we have 43 members who we feel very good about and 4 additional members who we believe are very likely possibilities and 10 others who we believe could go either way. Previously, we shared a similar list with Senator Mitchell's staff. We will give this one to them as well, to buck up their spirits.

From the whip count list, we have produced a second list that outlines recommended calls and meetings for the President and yourself. For this exercise, we are targeting our core group of supporters and likely supporters. If you approve, we would like to get started on these right away.

-Sasso

-Glenn

Baucus

THE WHITE HOUSE

WASHINGTON

July 14, 1994

RECOMMENDED TELEPHONE CALL

TO:	Democratic Senators who are core health care supports. The names we are requesting you to call as soon as feasible are: Senators' Baucus, Boxer, Daschle, Dodd, Glenn, Graham, Mathews, Reid, Rockefeller, Sarbanes, and Sasser.
DATE:	July 15, 1994
RECOMMENDED BY:	Patrick Griffin
PURPOSE:	To call a number of our core group Democratic supporters, to shore up their support for health reform and to re-energize their efforts to successfully pass a bill out of the Senate.
BACKGROUND:	Earlier today you, the Vice President and the First Lady concluded it would be highly advisable to reach out to our Democratic base. We are following up with our first cut list of members. The list of members are taken from our current analysis of where Democratic Senators stand with regard to our whip counts. This list is attached for your use.
TOPICS OF DISCUSSION:	Attached are suggested talking points for these calls.
CONTACT PERSON AND TELEPHONE NUMBERS:	White House Operator will connect.
DATE OF SUBMISSION:	July 14, 1994

ACTION: _____

_____

_____

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Harold Ickes Re: Upcoming Maine Event with Senator Mitchell (5 pages)	9/2/94	P5

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

FOLDER TITLE:
September 1994 HSA [1]

gf119

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 advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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]
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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]

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

To: Harold Ickes
From: Chris Jennings
Date: September 2, 1994
Re: Upcoming Maine Event with Senator Mitchell
cc: Pat, Ira, Steve, Melanne and Jack

As you requested, the following is an update of the ongoing deliberations between the "mainstream" coalition staff (now represented by the staffs of Senators Chafee, Breaux, Durenberger and Kerrey) and Senator Mitchell's staff. In addition, you asked that I provide you with a recommended approach for talking with Senator Mitchell about a possible fall-back minimalistic package that could be acceptable to the President. I have also asked Jack to insert his reading on the current status of the House.

In short, although it remains difficult to see how any overly substantive legislation will emerge from the Congress this year, recent developments make clear that it is more conceivable than most people are currently thinking. It certainly is now possible to imagine how an agreement between Senator Mitchell and the "mainstream" group could occur.

Senate Status and Outlook

On Tuesday, the Mitchell and "mainstream" coalition staffs started meeting to review statutory language and to determine areas of general agreement or likely disagreement. As a gesture of good will, Senator Mitchell agreed to work off of the "mainstream's" legislation. In addition, he directed his staff to conduct these negotiations with the intent of reaching an agreement -- not finding problems.

To date, the discussions have been characterized by both sides as constructive and of good will. The "mainstream" group has apparently been open to strengthening language suggested by Senator Mitchell's staff on "B"-level issues and, where there is disagreement, both sides have avoided confrontation and have bucked the issues in question to the principals.

Last night Senator Mitchell's staff completed a list of Member-level issues in dispute. Despite the reported progress, there remain many outstanding and unresolved provisions. The list includes approximately twenty items for which the staff feel there can be no movement without Member-level intervention.

The list also includes notable areas of disagreement such as the "mainstream's" tax cap, their omission of a Medicare drug benefit, their very small long-term care benefit, and their provision to limit community-rating to firms with fewer than 100 (rather than 500) workers. Moreover, the list does not include the disagreement they are currently having over Senator Kerrey's (and others') insistence on $100 billion in deficit reduction. All of these issues of disagreement could potentially produce road blocks or even dead-ends to a compromise.

As of this writing, there is no way to predict if Senator Mitchell will be able to come to an agreement with the "mainstream" group. However, Senator Mitchell's extraordinary negotiating skills and his great desire to achieve a compromise that succeeds in getting the bill off the Senate floor, combined with the "mainstream" group's determination to remain in the limelight and in the driver's seat, could conceivably yield an agreement. (For example, I could easily foresee an agreement that reduces the Medicare cuts and the deficit reduction target, while eliminating the Medicare prescription drug benefit to break their current financing logjam).

What is also possible, however, is that Senator Mitchell will not be able to take a consensus position to the floor and will suggest that the "mainstream" attempt to offer individual amendments to the Mitchell bill. If this occurs, the question is how do the "mainstream" actors respond? Do they agree to do this, praising Senator Mitchell for all they have achieved, or do they take an "all or nothing" position. Even if they do the former, a number of the liberal base Members may choose not to support what could well be an unacceptably flawed package. Should all of these and other hurdles be cleared and the Senate pass a compromise "mainstream"/Mitchell package, it is highly unlikely that it will receive a welcome reception from the House, particularly from the House Chairs and Majority Leader Gephardt.

It is important to point out the great fear that the "mainstream" Republicans have is that the Senate will act too soon and enable the House to pass a different bill, thus allowing the joint conference to "screw up" their agreement. As a result, it appears to me that they have every reason to delay agreement until there is just enough time for the Senate to pass their bill and lay it on the House Leadership's doorstep for a "take it or leave it" vote.

Excessive delay in the Senate will make it impossible for us to, in any significant way, "fix" problems that may emerge in a Senate passed bill. **More importantly, as always, delay strengthens the bargaining hand of the Republicans and enhances their ability to cast Democrats as obstructionists. Obviously, the worst outcome for us would be for the Republicans to force the Democrats to kill bad legislation that has been successfully sold as incremental, but "good" to the elite media.**

To guard against this problem, it may be advisable to discuss with the Congressional Leadership a fall-back package of modest but politically and substantively attractive provisions that could be used by Senator Mitchell and Majority Leader Gephardt. This substitute could be used at any strategically appropriate time. Attached is the latest such package that we (Ira et al) are developing (and the rationale for it). In many ways, this should be an easier sell because it is much more modest, has virtually no risk in causing harm to the market (unlike the "mainstream" proposal), has limited Medicare cuts and makes great contributions toward providing coverage to sympathetic groups - kids and the elderly.

Interestingly, while the Mitchell-"mainstream" negotiations are going on, our Democratic base support in the Senate (such as Rockefeller, Simon and perhaps even Pryor) is becoming increasingly frustrated about being "shut-out" of the process and are nervous about what type of product can or will emerge. Although this is mostly being expressed at the staff level, it is clear that there are Members who are not interested in relying solely on the Mitchell negotiations.

Senators Harkin, Levin, and Pryor, in particular, are working on a relatively minimalistic alternative that comes very close to the fallback proposal the President, the First Lady, you, Ira, Jack, I and others have been discussing. The current draft of the Harkin/Levin proposal is also attached for your review. (As an aside, we are beginning to provide modest technical assistance to the Harkin group -- with the consent of Senator Mitchell's staff).

To date, however, Senator Mitchell and his staff have not expressed much interest in working on the type of proposal being advocated by Senators' Harkin and Pryor. While this is probably the case because they simply do not have time to focus on anything but the Chafee discussions, it is important to keep in mind that such a proposal will likely go nowhere without the strong ownership and support of the Majority Leader.

Of more immediate concern, however, is that the Majority Leader's negotiations may produce something we do not wish to support. As Senator Mitchell is trying to produce something to attract Senator Chafee's support, Senator Chafee is apparently also trying to reach out to Senator Dole. Should this become a priority for Chafee, it is possible -- if not likely -- that the bill that emerges from the Mitchell/mainstream negotiations will be so watered down that it will be substantively and politically unaccepatable to us.

<u>House Status and Outlook</u>

At the present time the House remains on hold, with very little action during the recess to develop either a fallback position or a procedure for arriving at a fallback. As a practical matter, the dynamics in the House make it very risky for the leadership to initiate a proactive effort to arrive at a fallback. The general attitude among House members, which could easily change based on what occurs in the Senate, appears to be that the health care reform effort is over.

The House leadership may be divided when they return. The Speaker is clearly more inclined towards a minimalist approach than the Majority Leader. Since the House continues to be in a reactive mode, they do not need to join this issue until the path in the Senate becomes more clear. The risk, however, is that the Senate decisions may leave the House with nowhere to go other than the Senate position, as much as they might object.

If the leadership were to restart the process, there is a significant risk of losing control. A leadership designed minimalist bill would almost certainly have to include tobacco tax revenue in order to fund even small expansions in subsidies. This would most likely result in opposition from Republicans and would place in question support from tobacco state representatives. Even the scaled-back and phased-in tobacco tax may be impossible for them to support in the context of a minimalist bill.

If a process is reopened, Members are not likely to tolerate a deadlock which would be blamed on them. In the event that a minimalist bill with acceptable policy cannot pass, we must take very seriously the risk that an unacceptable alternative might gain a majority. The result could easily be passage of a bi-partisan bill with insurance reform that we would find unacceptable.

The alternative for the House is not a very pleasant one. If the Senate arrives at a consensus on a bill that we do not think is good policy, the House is not likely to let it die on the House doorstep. In this event, we could easily end up in the same position as if the leadership were to initiate the process on its own.

If the Senate passes a bill with borderline (or clearly unacceptable) insurance reform and Medicaid integration, it would be strongly opposed by John Dingell and Henry Waxman. Over the break, both of their staffs have become increasingly of the view that there is no possibility at this late date of achieving the kind of insurance reform that would permit the integration to work. We could face the ugly possibility of the House being split apart, with conservative Democrats and Republicans supporting the Mitchell compromise and liberals opposing it. It is not clear how the votes would play out.

Perhaps the most desirable outcome from the perspective of passing a decent minimalist bill in the House would be if a bill along the lines of the Harkin approach were to pass the Senate. There is a chance that a bill like this could pass the House. If not, because Republicans oppose it along with tobacco members and some fiscal conservatives, the message would be that Republicans and special interests killed the last hope for progress on health care. As a matter of local politics, this would probably not be a significant problem for the tobacco representatives, who would have the argument that they could not support a new entitlement funded by a tobacco tax for use at home.

Approach to Mitchell

It is certainly possible that Senator Mitchell's bottom line may have a lower threshold for acceptability than the Administration's. As a result, it is conceivable that we may find ourselves parting company over policy and politics. As such, there is potential for strains in our relationship with Senator Mitchell in the upcoming weeks. **It is therefore critical that we be clear and direct with Senator Mitchell on any major concerns we have with where the Senate bill is or may be headed.**

It is important that any discussion with Senator Mitchell not be viewed by him as in any way undermining his ongoing efforts to achieve an agreement with the "mainstream" group. His staff is especially sensitive to this issue and is not yet particularly interested in working on more incremental reforms than their current discussions are contemplating.

The President and First Lady may want to open up a discussion with him about our fears regarding the Republican strategy to do anything to label us as obstructionists. There is nothing that gets Senator Mitchell more interested in a discussion than a point that illustrates how Republicans could hurt us (Democrats) and how he can outmaneuver them.

Without pre-judging the likely outcome of Senator Mitchell's discussions, the President or First Lady may want to raise general concerns that the final product has the very real potential to do more harm than good, particularly for currently insured workers. They may also want to raise specific concerns that comprehensive insurance reforms, in the absence of universal coverage, are very difficult to craft without adverse consequences. If not done right, the Administration and Democrats as a whole will be blamed and our credibility for building on this year's reform will be irreparably damaged. Lastly, they may wish to see if the Majority Leader is interested in discussing and possibly reviewing the attached one page alternative. Again, I would strongly advise that this be presented solely as a backup, failsafe option.

Harold, I will provide for your review, edits, and approval final talking points (and the alternative proposals -- pending Ira's edits) for you to forward up to the President and the First Lady.

Enclosures
9/2/94 -- 9:00 pm

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Meeting with Senator Mitchell (5 pages)	9/4/94	P5
002. memo	Ptrick Griffen To Leon Panetta Re: Health Care Strategy Options (4 pages)	7/19/94	P5
003. memo w/attach	Patrick Griffen to POTUS Re: Memorandum from Congressman Dan Rotenkowski (4 pages)	9/16/94	P5
004. memo w/attach	Patrick Griffen to POTUS Re: Short Term Legislative Strategy on Health Care (6 pages)	6/10/94	P5

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

FOLDER TITLE:
September 1994 HSA [2]

Gary Foulk

gf120

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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THE WHITE HOUSE

WASHINGTON

September 4, 1994

MEETING WITH SENATOR MITCHELL

Date: September 5, 1994
Location: Maine
From: Patrick J. Griffin and Harold Ickes

I. PURPOSE

* To reiterate your appreciation for all the hard work Senator Mitchell has done on behalf of Administration throughout the Congress.

* To illustrate how you recognize the difficult political position he is in with regard to crafting a compromise health reform bill that works -- both in terms of substance and in attracting a sufficient amount of votes.

* To raise real concern about the type of policy Senator Mitchell might have to settle for in order to get enough support from the moderate Republicans (who are apparently trying to reach out to Dole) and to indicate your nervousness that going too far towards the right might produce a bill that could do more harm than good.

* To share with him our perception that the House Leadership (particularly Gephardt and the Committee and Subcommittee Chairs) is unlikely to to be receptive to a significant (but in their minds flawed) health reform initiative that they either thought (and frankly hoped) was dead OR have little or no control over shaping. (Interestingly -- and not surpisingly -- the one exception to this position may well be the Speaker.)

* To find out where Senator Mitchell currently stands on the feasibility and advisability of pivoting off his current negotiating effort with Senator Chafee et al (if it is not going well) into a much more incremental bill that uses smaller Medicare cuts and the tobacco tax to pay for benefits for kids and the elderly.

II. BACKGROUND

Although it remains very difficult to envision how any overly substantive legislation will emerge from the Congress this year, recent developments make clear that it is at least conceivable. It is even easier to imagine how an agreement between Senator Mitchell and the "mainstream" group could be achieved.

The Majority Leader's exceptional negotiating skills and his great desire to obtain a compromise that succeeds in getting the bill off the Senate floor, combined with the "mainstream" group's determination to remain in the limelight and in the driver's seat, could well produce a "deal."

A Mitchell/"mainstream" agreement has the potential to be extremely problematic. Drafted in the current "compromise" and "moving to the right" environment, the product could raise premiums of the currently working insured by unacceptable levels, while still leaving large numbers of Americans without insurance. Should such a package become law, we (and the Democratic party) would be very vulnerable to being blamed for this and other problems that ensued. Such an outcome would also further erode the public's confidence in the Government and would make it very difficult to build on the reforms that we did pass.

Of additional concern is the fact that the "mainstream" group has every reason to delay a final agreement as long as possible. It is clear the Republicans want to avoid a House/Senate conference and are contemplating a strategy that would lay the bill on the House's doorstep for a "take it or leave it" vote.

Delay strengthens the bargaining hand of the Republicans and enhances their ability to cast Democrats as obstructionists. Moreover, it gives even more time for the "mainstream" Republicans to attempt (as they are apparently now doing) to reunite with Dole. Obviously, the worst outcome for us would be for the Republicans to force the Democrats to kill bad legislation that has been successfully sold as "good" and "moderate"to the elite media.

The House is definitely divided on the health reform issue, with the Speaker clearly more inclined towards a minimalist approach than Majority Leader Gephardt. Not surprisingly, the House continues to be in a reactive (to the Senate's actions) mode. They do not want to join this issue until the Senate's package becomes clear. The risk with this approach is that a delayed Senate bill is likely to leave the House with nowhere to go other than the Senate position, as much as some will object.

Even if the House initiated its own alternative health reform initiative, it is not altogether clear it would be a package we would be comfortable with. In fact, the staffs of Gephardt and the Committee Chairs think it would be at least as likely -- if not more -- to be just the opposite. As such, the House environment underlies the extraordinary importance of any product emerging from the Senate.

With the above in mind, it is advisable to make Senator Mitchell clearly aware of our concerns. It is also advisable to get a sense of where he thinks he might go (or be forced to go) in his negotiations. It appears that this also would be an opportune time to, once again, briefly kick around the concept of a fall-back package of modest but politically and substantively attractive provisions. (You started this conversation during your last meeting, but Senator Mitchell did not focus.) Such a substitute could be used at any strategically appropriate time.

We may also want to engage the House Leadership in discussions about the advisability of a House fall-back package. Despite the risks mentioned previously, pushing something proactively -- rather than simply reacting to whatever the Senate and House Republicans and conservative Democrats might produce -- might better protect the Democrats against the charge of being obstructionists. Moreover, it could give the Party the opportunity to highlight the Republicans true, obstructionists colors.

Attached is the latest version of the package that Ira and others are developing. In many ways, this alternative (which is similar to one being advocated by Senators' Harkin, Levin and Pryor) could be an easier sell because it is much more modest, should not harm the current market, has limited Medicare cuts and provides coverage to sympathetic groups -- kids and the elderly. It is clear, however, that our close association with it could do more harm than good; in other words, we do this package no favor by claiming it as ours -- it must remain a package authored by the Congress.

We strongly advise that our version of the alternative NOT be handed to Senator Mitchell at this time. In addition, the discussion around it should not get overly detailed. This conversation should be used merely to gauge his openness to such an alternative. It is important to remember that the only way for this back-up to succeed is for Senator Mitchell to have ownership over and investment in it.

It is certainly possible that Senator Mitchell's bottom line may have a lower threshold for acceptability than the Administration's. **It is therefore critical that the Administration be clear and direct with Senator Mitchell on any major concerns we have with where the Senate bill is or may be headed.**

POLITICAL CONCLUSION

This memo has been particularly focused on our fears about the type of flawed policy that could emerge from the legislative process if we do not engage. It is equally important to point out that engaging the Congress at any level also carries risks.

No matter how careful we are in assuring that it is the Congress, and not the Administration, who is the lead sponsor of any alternative, we should not fool ourselves into thinking that we can extricate ourselves entirely from such a package. The perception, if not the reality, is that we are bonded at the hip with the Leadership -- particularly on the Senate side. As a result, a failure to pass any alternative carries with it a risk that the Administration will be labeled as a two-time failure. Therefore, an argument could be made for completely extricating ourselves from the legislative process now and laying the blame on the Congress.

Having said the above, even if a minimalist effort fails, we believe it would likely achieve two important ends: (1) it should stop a potentially flawed policy from being passed (and then possibly vetoed by you) and (2) it would enable us to better defend ourselves against being labeled obstructionists and better lay the more appropriate blame on the Republicans doorstep. With this in mind, we believe this course of action is worth the risk.

TALKING POINTS

* Thank you George for all you have done. It has been a rough year for both of us, but your work has paid big dividends for us and the country as a whole. You have no idea how much we appreciate all your work and how much we fear your absence in the Senate.

* I know you are in the middle of a set of negotiations that will be extremely difficult to produce a package that is acceptable to the "mainstream" group, while still retaining the support of our base supporters. I don't envy your position.

* But I have to tell you how concerned I am about the direction you might find yourself having to go to get a deal. I am worried that the Republican "mainstreamers" are not going to move much -- if at all -- on many critical issues. I fear that their recent efforts to apparently reach out to Dole might move them further to the right.

* In any event, their insistence on some issues might produce very real substantive and political problems for us. I am particularly concerned that the Republicans may effectively label us obstructionists if we end up being uncomfortable with the policy they insist on.

* I certainly don't want to pre-judge the outcome of your negotiations, but I am concerned that a compromise product could do more harm than good, particularly for currently insured workers. As you know, major insurance reforms, in the absence of universal coverage, are very difficult to craft without adverse premium hike consequences.

* George, I just wanted to raise a red flag about my worries that, if we don't get these reforms right, the Administration and Democrats as a whole will be blamed and our credibility for building on this year's reform will be irreparably damaged. I wanted to talk to you about this because it is becoming more and more clear that the House will either do nothing or do almost exactly what comes out of the Senate.

* If your negotiations do not work out well with the "mainstream" group, what do you think about the possibility of your pivoting from where you now are to something more minimalistic for kids and the elderly, financed from the tobacco tax, relatively modest Medicare cuts, and possibly some Medicaid cuts).

POSSIBLE FALL-BACK OPTION

This package of reforms would take a significant step towards universal coverage, with little risk of harm for those individuals and businesses who currently purchase insurance.

INSURANCE REFORMS

Insurance reforms would include measures designed to close many of the loopholes in the current system, but not more comprehensive changes (like community rating) that could prove disruptive for some who now have health insurance.

- **Limits on pre-existing condition exclusions:** Pre-existing condition exclusions would be limited to six months, and prohibited for people who change from one plan to another (e.g., when changing jobs).
- **Guaranteed renewal:** Health plans would be required to renew coverage (except for non-payment, fraud, or misrepresentation).
- **No lifetime limits (if effect on premiums is mimimal):** Health plans would be prohibited from imposing lifetime limits on benefits.

AFFORDABLE COVERAGE FOR CHILDREN

Subsidies would be provided to children in families with income up to 300% of the poverty level (about $42,000 for a family of four). States would have broad flexibility in delivering coverage, but would be encouraged to do so through private health plans.

PROTECTION FOR WORKERS IN-BETWEEN JOBS

If workable and affordable, provide temporary subsidies to workers (for up to six months) who have lost their jobs to purchase insurance.

LONG TERM CARE

A limited home and community-based long term care program would be phased in over a period of years. (The $95 billion $700 a year deductible Medicare prescription drug benefit is probably too expensive -- about twice as the envisioned long term care benefit).

COST AND COVERAGE COMMISSION

A national cost and coverage commission would monitor health care costs and coverage (with some expanded data collection), and make recommendations for more comprehensive reforms to achieve universal coverage. It would issue a report at the beginning of each new Congress, with the first scheduled out in March 1995. The authorizing language for this Commission might establish targets for both coverage and cost containment and Congress could be directed to vote on its recommendations though an expedited approval process.

FINANCING

Expanded coverage would be financed through an increase in the tobacco tax (at the level proposed in the House and Senate Leadership bills) and relatively modest Medicare and possibly Medicaid savings.

THE WHITE HOUSE

WASHINGTON

July 19, 1994

MEMORANDUM FOR LEON PANETTA

FROM: PATRICK GRIFFIN

SUBJECT: HEALTH CARE STRATEGY OPTIONS

As we discussed last night, there are two legislative strategy options which should be presented to the President this evening. This memorandum will outline both options and the pros and cons for each. Both choices are based on the same evaluation of where we are today and the same strategy for the remainder of this week.

PLAN FOR THIS WEEK

The Senate's ability to maintain a majority for a mandate is clearly the factor which is most directly driving whether or not the mandate can survive congressional votes. The crucial task for this week is to make a final push to determine whether there are fifty one votes in the Senate or not. In order to make this determination, the President needs to engage with the swing Senate votes intensively. In his meetings with Senators, the President will need to be very direct about the stakes for both his Administration and the Democratic party -- a scorched earth speech which holds nothing back.

This strategy purposely ignores the House for the balance of this week, during which time the leadership and the committees would complete work on a consensus universal coverage bill with a mandate. This is consistent with the signals we are getting from the House leadership which indicate that the only reason they would not move forward with such a bill would be if the Senate fails to produce a majority for universal coverage.

By Friday, the President and Majority Leader Mitchell must arrive at a conclusion about whether or not there is a realistic potential for a majority in the Senate for a mandate. If there is, then Senator Mitchell will move forward with a bill that provides a mechanism to reach universal coverage. We expect that this would include an automatic fallback to a fifty/fifty mandate if Congress fails to approve an alternative plan to achieve universal coverage.

If the President and Majority Leader Mitchell determine that it is unlikely, or impossible, that a majority can be achieved in the Senate around a mandate approach, a strategic choice must be made about how to proceed.

OPTION ONE

Senate proceeds as quickly as possible to the floor with a bill which would provide for a mandate, with the clear understanding that a vote to strike the mandate is likely to pass. The Administration and our Senate allies would make an all out effort to sustain the mandate, with the outside chance of winning.

To have an adequate amount of time to sell the proposal, Senator Mitchell would unveil his proposal as early as the beginning of next week. From that moment on, we would have to have five days in order to frame the debate, a portion of which would likely coincide with the floor debate on this proposal. [As an alternative, Senator Mitchell could proceed in the same manner, but reserve the option of substituting an alternative vehicle at the last minute when the outcome is clear, and thereby avoid losing a vote.]

If the vote to strike the mandate carries, the President would convene a mini-summit with House and Senate Democratic leadership to decide whether to proceed immediately with the underlying Senate bill (with the addition of a soft trigger mechanism) or to review other substantive options (such as covering kids first).

The compromise Senate bill would constitute a non-mandate fallback--a combination of insurance reforms that provide as much protection as possible while minimizing increases in rates for the currently insured, and substantial targeted subsidies that would increase the number of insured to over ninety percent, but not attain universal coverage. [For House liberals to be satisfied, the House bill would have to include medicaid integration as well.]

In either case, the objective would be to resume Senate action almost immediately to pre-empt a campaign being waged against the remaining provisions. [If Senator Mitchell chooses the alternative approach, the Senate would proceed directly to the substitute vehicle (without losing a vote) -- which presumably will have a majority, and potentially a filibuster proof level of support.]

In order to pass even the scaled back approach, there would still be a significant fight in the Senate, but we can expect at least some Republican votes for a non-mandate approach to increase coverage through subsidies and insurance reform.

ARGUMENTS IN FAVOR OF OPTION ONE

(1) Permits the President the opportunity to demonstrate strong commitment to his original principles and avoid characterization of the President as too quick to compromise.

(2) Provides a vehicle for outside groups, congressional allies and other supporters to wage an all out fight right to the end.

(3) Provides opportunity to develop strongest message.

(4) Avoids putting House in the position of voting for a mandate and then being BTU'ed.

(5) Provides time to determine with near certainty whether or not there is a majority in the Senate for mandates.

(6) Allows time to develop the best possible fallback while there is still a fight being waged, maximizing the bargaining position of our allies. This would be particularly true if the leadership follows the alternative approach and holds out the option of avoiding a mandate vote.

(7) The left in the House will not feel abandoned.

ARGUMENTS AGAINST OPTION ONE

(1) Risks the appearance that the President is being dragged to a compromise deal after a defeat.

(2) If the mandate vote loses there is every reason to believe that Senator Mitchell will lose leverage, and House leaders will lose leverage with their moderates. [If Senator Mitchell substitutes a compromise vehicle to avoid losing a vote, this could be prevented.]

(3) Because time is so tight, the Senate effort to fight for the mandate may be undermined since the House and Senate leadership will be simultaneously developing and floating fallback positions for a non-mandate approach while the Senate is still fighting for the mandate.

(4) Opponents will argue that the residual approach is a tax and spend approach -- too big, creating expensive new entitlements, relying on new taxes for funding.

(5) If there is a mini-summit to review alternatives, there is a risk of delay, which would seriously undermine efforts to win a vote on a substantial fallback package.

(6) There is not likely to be a single fallback bill, which will complicate the job of communications. The House will need to include provisions important to the single payor votes (possibly an opening of Medicare Part C in a voluntary world and certainly a state single payor option) which the Senate would be unlikely to include.

OPTION TWO

At the end of this week acknowledge that there is not a majority in the Senate for a mandate. Have the President take the lead in seeking a sustainable middle ground. The next week would be spent developing a middle ground and fighting for it rather than the mandate.

In order to achieve success with this alternative, a massive outreach effort will be required with our base supporters in the Congress and with our groups. This will entail numerous meetings between the President and our supporters. The time necessary for this outreach effort and for developing the policy alternative will mean that the bill could not reach the respective Congressional floors before the week of August 1st.

ARGUMENTS IN FAVOR OF OPTION TWO

(1) President would be ahead of the debate rather than catching up after a defeat.

(2) The President will have the ability to define the package in a way which confers legitimacy upon it (even in terms of the definition of universal coverage).

(3) The Administration has the potential to be viewed as less dogmatic and ideological about its approach and more aligned with a centrist legislative agenda.

(4) The House will have the ability to devise a package for floor consideration with full knowledge and disclosure of where the Senate majority is moving.

(5) This package has a potential for real bi-partisan support up front, satisfying the request of some Senate Democratic moderates.

ARGUMENTS AGAINST OPTION TWO

(1) Negotiations with moderates takes place with very little leverage and the scope of the fallback is likely to shrink.

(2) President appears unwilling to engage in final battle for his top priority, and will appear to be abandoning a central principle of his health care effort, and the real meaning of his veto threat.

(3) Supporters, particularly on the outside, feel abandoned. They sincerely believed his veto threat and agreed to follow the President down the difficult road of universal coverage. This may cause long term damage among the groups and among some members of Congress.

(4) The elite media is extremely likely to charge that you have broken your holding up the pen veto promise and will spend weeks if not months suggesting that the President is a "waffler."

(5) House and Senate liberals may move away from the package permanently.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. notes	Health Care Strategy Meeting (4 pages)	nd	P5

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

FOLDER TITLE:
October 1994 HSA

gf121

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 advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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]

Leon - Need to wait for elections
Need to figure out issue & its relation to budget.

Shalala - Baseline changes coming back in November. Estimate to wait Bentsen points out.

Rivlin - need to develop options

Begala - Don't do it until after election

HRC - use list to help focus the questions outlined.

George - Effort at outreach to people who can help us thinking in process

Pat - Not Congress now, right? Right says George

Who talks to the groups. How to pull & when?

Bentsen strongly agrees

Leon - Set of options. Keep close. Not too broad

Bentsen - Don't send signals of support to NGA

Tyson - Deficit reduction can only be achieved through Medicare & Medicaid.

[redacted]

Carol Rasco - intro 10/11/94

- Leon - No leaks from health meetings
  - If anything does, we won't hold these meetings
  - [illegible] co-chairman
  - The less news the better before news & election

Bentsen - we're not talking about 10 a major

- Things that are acceptable w/ getting there step by step
- Impt. that HRC is seen as supportive
- Leaks will kill, particularly before election
- Need to be fully integrated w/in [illegible] process
- Look at what Bentsen passes through Senate

Bob - Conc. Bill & Chapter
- Know that HRC should be known to be [illegible] owner

SHALALA - Congressional input very impt. Strategy decision [illegible]

Rivlin - Building on an enormous amount of stuff with others

HRC - Reinforce Rivlin comment, our job will be to

George - Health Reform already done is impt. - waivers
immunizations

Bentsen - Don't go too far w/ the [illegible]

[redacted]

Our old message was health reform reinvestment [illegible] was done in conjunction w/ deficit reduction

Bob R. -- will be faced w/ entitlement caps

Bentsen - Can't go too deep into Medicare

Tyson - I agree

Rivlin - Need to have some out year deficit reduction included in all options

Bob R - AFL-CIO is pushing big.

Bentsen - Go basic, step by step approach

Shalala - We can & should do basics. We should not be looking at "every option in America" -- as we did before"
Start w/ small - guide 1st

HRS - Progress we need to talk to everyone.
There should be no list. The reason you are the better

~~Shalala [illegible]~~, Deficit reduction doesn't get votes
Think back from 1996 what can President say he has done economically, including health reform

[redacted]

Bob - But deficit reduction is good for economy & the recession

Butser - Don't need to do much deficit reduction
- Need to spend some on health reform
- 4 = training & re-education - labor intuition

Shalala - Cited mainstream $100 Billion figure

Leon - Look at incremental approaches. Those change we will be going b/c of political & economic atmosphere

George - Assume one package is our preferred

Leon Let's talk about who talks to people. It should be a very limited group

Carol - Very concerned about consulting process & capture

Carl & Bob - will decide later

[redacted]

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Democratic Members of the House Committee on Energy and Commerce 103rd Congress (7 pages)	nd	P5
002. memo w/attach	Chris Jennings to Hillary Clinton Re: Potential Rockefeller Problem and Jackson Hole Care Meeting Invite (14 pages)	8/18/95	P5

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

FOLDER TITLE:
Undated HSA Files [4]

Gary Foulk

gf125

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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DEMOCRATIC MEMBERS OF THE HOUSE COMMITTEE ON ENERGY AND COMMERCE 103RD CONGRESS

♦ **CHAIRMAN JOHN DINGELL (D-MI)**

As you know, Chairman Dingell is committed to helping the Administration. A former single payor himself, Dingell's father introduced a single payor bill to Congress; Dingell has re-introduced his father's bill every year since he joined the Congress. He is concerned about early retirees and their health benefits, particularly as this issue impacts the auto industry. He has long proposed financing health care with a value added tax.

Chairman of the full committee, Dingell also serves as the Chairman of the Subcommittee on Oversight and Investigations. As you know, Dingell has introduced the National Health Insurance Act (H.R. 16), which has been referred to the Energy and Commerce and the Ways and Means Committees. Congressmen Buyer (R-IN), Gingrich (R-GA) and Smith (R-TX) currently co-sponsor the bill with Chairman Dingell. There is no companion bill to H.R. 16 in the Senate at this time. Dingell has also introduced legislation (H.R. 33) to amend the Public Health Service Act to require certification of labs engaged in drug testing. Another piece of legislation Dingell has introduced that is worthy of note is a joint resolution (H.J. Res. 20) calling for a Constitutional Amendment to limit election expenditures for those seeking federal office. Dingell has represented Detroit's industrial corridor in the 16th district of Michigan since 1955.

♦ **REP. HENRY WAXMAN (D-CA)**

Congressman Waxman has been associated with health care reform throughout the last decade, culminating in an appointment to the Pepper Commission. As a member of the Commission, Waxman endorsed a play or pay approach. He then became a single payor advocate and teamed with Chairman Dingell to introduce such legislation in the last Congress. He and his staff are expected to be particularly influential in this Congress on health care. The Congressman's staff periodically attend working group meetings. You may recall meeting with Karen Nelson last week, who is the Staff Director for his Subcommittee. Waxman will be a team player and is expected to work with you as long as the Administration does not give ground on the access issue.

Congressman Waxman serves as Chairman of the Subcommittee on Health and the Environment and sits on the House Committee on Government Operations. He is the sponsor of the NIH Reauthorization Act (H. 4), which was marked-up on March 2nd and ordered reported as amended. He also introduced legislation (H.R. 670) to codify the President's Executive Memorandum concerning Title X counseling. In February, Waxman and his wife Janet flew on Air Force 1 with the President and Senator and Mr. Boxer for the President's trip to Los Angeles and speech at Santa Monica Community College. Waxman has represented Los Angeles in California's 24th district since 1975.

♦ **REP. PHILIP SHARP (D-IN)**

Congressman Sharp is the Chairman of the Subcommittee on Energy and Power and sits on the House Committee on Natural Resources. He represents the affluent 2nd district of Indiana, and reflecting the moderate views of his district, his actions concerning health care will be careful and conservative.

♦ **REP. EDWARD MARKEY (D-MA)**

Markey is the Chairman of the Subcommittee on Telecommunications and Finance and sits on the House Committee on Natural Resources. He has represented the North Shore of Boston since 1976. Markey is generally liberal, and is generally thought to be supportive of the Administration.

♦ **REP. AL SWIFT (D-WA)**

Congressman Swift is Chairman of the Subcommittee on Transportation and Hazardous Materials. He also sit sits on the House Administration Committee, where he serves as Chair of the Subcommittee on Elections, and on the Joint Committee on the Organization of Congress. Swift sponsored H. 2, the Voter Registration Act, which passed the House on February 4th. S. 2, its companion bill, is expected on the floor of the Senate this week. Swift has represented the northwest corridor in Washington's 2nd District since 1979. He joined the President at Boeing last month and flew on Air Force 1, with the entire Washington delegation, back to DC.

♦ **REP. CARDISS COLLINS (D-IL)**

Congresswoman Collins serves as Chair of the Subcommittee on Commerce, Consumer Protection and Competitiveness; sits on the Subcommittee on Health and the Environment and on the House Committee on Government Operations. Because of the jurisdiction of her Subcommittee, she may have some influence over issues relating to insurance market reform. Collins has stated that she will be very supportive of the Administration's final legislative proposal but may be responsive to what she perceives as legitimate concerns from the insurance industry.

Collins has introduced several health care initiatives, including the Medicaid Women's Basic Health Coverage Act of 1993 (H.R.130); the Long Term Care Insurance Standards and Consumer Protection Act of 1993 (H.R. 132); and the National Institute on Minority Health Act (H.R. 825). All currently remain in committee. Collins won a special election in 1973 to replace her late husband, the former Rep. George Collins. Since that time, she has represented Chicago in Illinois' 7th district and has been active in minority and women's issues. As you know, Collins is also a member of the Congressional Black Caucus which met with the President yesterday.

♦ **REP. MIKE SYNAR (D-OK)**

Congressman Synar is a co-founder of the Rural Health Care Coalition and has been a strong advocate of Clean Air legislation. Synar serves on the Subcommittee on Health and the Environment; on the House Committee on Government Operations

and Chairs its Subcommittee on the Environment, Energy and Natural Resources. He also serves on the Judiciary Committee. Generally liberal, Synar has been helpful to the Administration. He concurs with the Administration position on family planning and fetal tissue research. Synar is a good friend and strong ally of Gephardt and will be essential to bridging the gap between the liberals and the Conservative Democratic Forum. In the last Congress, Synar worked closely with Rep. Wyden to develop a compromise between the Stark government regulated price containment bill and the Cooper managed competition bill. Synar has represented the northeastern section of Oklahoma, which has a strong Native American population, since 1979.

♦ **REP. W.J. (BILLY) TAUZIN (D-LA)**

In addition to Energy and Commerce, Congressman Tauzin serves as Chairman of the Coast Guard and Navigation Subcommittee on the Merchant Marine and Fisheries Committee. Tauzin has represented southern Louisiana's 3rd district since 1980. With redistricting, he no longer represents New Orleans, yet maintains his interest in marine industries. Due to his conservative views, it is expected that his vote may be difficult to win.

♦ **REP. RON WYDEN (D-OR)**

Congressman Wyden has advanced health care measures in past Congresses, often despite unfavorable constituent responses. He considers himself, and is considered by others to be a consensus builder who must be asked to broker differences between the liberal and conservative Democrats. You are scheduled to meet with Congressman Wyden one-on-one on Thursday afternoon. He will want to continue to be a player in health reform and can be counted on to support the Administration's plan.

In 1990, Wyden sponsored the Medigap Fraud Bill to provide counseling to seniors confused by health care options. He introduced legislation, with Senator Pryor, to require that drug manufacturers offer low-cost products to medicare and medicaid recipients. Wyden also supports experimental medicaid programs in his state. Most recently, he has introduced the Long-Term Care Insurance Consumer Protection Act of 1993 (H.R.438). In addition to the Health and Environment Subcommittee, Wyden serves on the Small Business Committee, where he chairs the Regulation, Business Opportunities and Technology Subcommittee and sits on the Joint Economic Committee. Wyden has represented Portland in Oregon's 3rd district since 1981.

♦ **REP. RALPH HALL (D-TX)**

Congressman Hall is often considered the most conservative Democrat on the Committee. He will be particularly concerned with the effect of health care legislation on his rural district. Hall is a strong advocate of the Supercollider and the Space Shuttle and serves as Chairman of the Space Subcommittee of the House Committee on Science, Space and Technology. His vote will be difficult to secure; he comes from a conservative, rural district, and has been swayed by medical community lobbying in the past. Hall has represented Texas's 4th district since 1981.

♦ **REP. BILL RICHARDSON (D-NM)**

In addition to serving on the subcommittee on Health and Environment, Congressman Richardson is Chairman of the Native American Affairs Subcommittee of the House Committee on Natural Resources and sits on the Select Committee on Intelligence. As you know, he is a member of the Congressional Hispanic Caucus that you met with last week. A liberal Democrat, he is expected to be helpful, but needs to be touched often, as targeted lobbying efforts have been successful in the past. Richardson, representing the 3rd district of New Mexico since 1983, has particular concerns about rural issues and his largely Native American constituency.

♦ **REP. JIM SLATTERY (D-KS)**

In the past, Congressman Slattery has worked toward increasing access to health care for rural communities and introduced the National Health Care Revitalization Act. Part of the CDF crowd, Slattery will oppose an employer mandate, as well as any global budgeting. He sits on the Subcommittee on Health and the Environment and on the Veterans Affairs Committee for which he serves as Chairman of the Compensation, Pension and Insurance Subcommittee. Of note also is Slattery's commitment to eliminating waste in government. He has introduced legislation to establish a commission on the issue (H. 353). Slattery has represented Topeka and its surrounding communities since 1983.

♦ **REP. JOHN BRYANT (D-TX)**

Congressman Bryant serves on the Health and Environment Subcommittee and as Chairman of the Administrative Law and Governmental Relations Subcommittee of the House Judiciary Committee. He also sits on the House Budget Committee which, as you know, met with the President yesterday. A liberal Democrat, he has a strong relationship with Health Subcommittee Chair Waxman. Bryant introduced the Lobbying Disclosure Act of 1993 (H.R. 823) and supports an increased regulatory function for government. He has represented Dallas's oil interests as well as the many African-American and Hispanic communities in the 5th district since 1983.

♦ **REP. RICK BOUCHER (D-VA)**

Congressman Boucher sits on the Judiciary Committee and the Committee on Science and Technology, for which he serves as Chairman of the Subcommittee on Science. Boucher has not been overly active on the health care issue, but is considered moderate to conservative. He worked extensively on the acid rain proposals for the Clean Air Act. Boucher has represented southwest Virginia's 9th district since 1983.

♦ **REP. JIM COOPER (D-TN)**

As you know, Congressman Cooper is the primary advocate of a managed competition approach. Congressman Cooper worked with Rep. Wyden on legislation to require that drug manufacturers extend the lowest costs to medicare and medicaid recipients. In addition to Energy and Commerce, he sits on the Budget Committee. As you know, the Democrats from that Committee met with the President yesterday concerning the Economic Plan. When Congressman Cooper entered the House in 1983 to represent Shelbyville Tennessee's 4th district, he was the youngest member of the House of Representatives. Since that time, Cooper has emerged as an advocate of PAC reform and has taken on tobacco interests and the NRA. We hope to schedule a meeting for you with Cooper and Reps. Stenholm and Andrews (TX) in the next two weeks.

♦ **REP. ROY ROWLAND (D-GA)**

Having practiced medicine before entering Congress, Rep. Rowland has a tradition of interest in health care, particularly in the reform of medicare and the treatment of AIDS patients. He has sponsored initiatives to provide funding for cancer treatment for Veterans exposed to radiation during and after World War II and for AZT treatment for AIDS patients. In 1990, Rowland sponsored a bill which would have designated the Secretary of HHS as responsible for determining whether to allow persons infected with HIV the ability to immigrate to the United States. He later argued that the Secretary already held this prerogative. Most recently, he has introduced the Long-Term Care Insurance for the Elderly Act of 1993 (H.R. 862). Rowland serves on the Health and Environment Subcommittee as well as on the Veterans Affairs Committee and as Chairman of its Hospitals and Health Care Subcommittee. Rowland, representing southern Georgia's 8th district since 1983, is also a strong advocate for rural issues. Redistricting left him with an even more rural and conservative district, and his views may reflect this change. You will meet with Rowland, along with Rep. Montgomery and Sen. Rockefeller, on Thursday afternoon in his capacity as Chair of the Veterans Affairs Subcommittee.

♦ **REP. THOMAS MANTON (D-NY)**

In addition to Energy and Commerce, Congressman Manton serves as Chairman of the Subcommittee on Personnel and Police to the House Administration Committee and Chairman of the Fisheries Management Subcommittee to the Merchant Marine and Fisheries Committee. Manton, a former policeman, represents Queens in New York's 9th district. He is an advocate of the crime bill and, in the last Congress, introduced an amendment to provide disability payments to public service officers

disabled in the line of duty. Manton is expected to be very helpful and supportive, and is known as a team player.

♦ **REP. EDOLPHUS TOWNS (D-NY)**
A former Chair of the Congressional Black Caucus, Congressman Towns is an advocate of strengthening the National Health Service Corps and the Minority Health Initiative. He sits on the Health and Environment Subcommittee and serves on the Government Operations Subcommittee and as the Chairman of its Human Resources and Intergovernmental Relations Subcommittee. While very supportive of the Administration, he can be expected to push his agenda of access and minorities issues. As with Richardson, he will require additional attention, as he is sometimes susceptible to targeted lobbying. A former teacher, social worker and hospital administrator, Towns has represented Brooklyn in New York's 11th district since 1983.

♦ **REP. GERRY STUDDS (D-MA)**
Congressman Studds sits on the Health and Environment Subcommittee and is Chairman of the House Committee on Merchant Marine and Fisheries as well as its Subcommittee on the Environment and Natural Resources. A former advocate of a single payor program resembling the Canadian system, Studds will be supportive of the Administration proposal, but needs to not be taken for granted. Studds has represented the South Shore of Boston since 1983. As such, he is particularly concerned with seniors, as more than half of the year-round residence of Cape Cod are retirees.

♦ **REP. RICHARD LEHMAN (D-CA)**
In addition to Energy and Commerce, Congressman Lehman serves on the Natural Resources Committee and as the Chairman of its Subcommittee on Energy and Mineral Resources. Lehman represents California's Central Valley region in the 18th district. As such, he is concerned with both farming interests and agricultural processing industries. Lehman is expected to be helpful, although he is not very active on health care issues.

♦ **REP. FRANK PALLONE (D-NJ)**
Congressman Pallone is an avid environmentalist and serves the Health and Environment Subcommittee as well as the Committee on Merchant Marine and Fisheries. Pallone has represented the Jersey Shore in the 3rd district since 1988. Pallone accompanied the President at the National Service speech at Rutgers University, which is in Pallone's district.

♦ **REP. CRAIG WASHINGTON (D-TX)**
Congressman Washington serves on the Health and Environment Subcommittee; the House Committee on Government Operations and the House Judiciary Committee. Washington came to the House in 1989, winning a special election to replace the highly popular Rep. Mickey Leland who was killed in a plane crash. He represents the Houston area in Texas's 18th district.

♦ **REP. LYNN SCHENK (D-CA)**

Congresswoman Schenk is a new member of Congress. She represents the newly formed 49th district of California, which spans from La Jolla to the Mexican border. Schenk campaigned on commitment to community service and the creation of jobs, especially focussing on defense conversion. Schenk is a strong environmentalist and, in addition to Energy and Commerce, has taken a seat on the Merchant Marine and Fisheries Committee. By all reports, Schenk will be very active and supportive.

♦ **REP. SHERROD BROWN (D-OH)**

Congresswoman Brown has taken a seat on the Health and Environment Subcommittee and is expected to be particularly interested in the impact of health care legislation on seniors. He will also serve on the Foreign Affairs and Post Office and Civil Service Committees. Brown, a new member of Congress, represents a district with obvious redistricting impact. Ohio's 13th district encompasses seven counties and includes both industrial Lorraine and the rural communities surrounding Lake Erie. Brown campaigned on the issues of family values, solar energy and seniors benefits. At times during his campaign, he promised that he would not accept his own health care benefits until all the residents of his district had insurance (although it is uncertain whether he followed through with this).

♦ **REP. MIKE KREIDLER (D-WA)**

An Optometrist by profession, Congressman Kreidler understand the importance of health care reform and has taken seats on the Health and Environment Subcommittee as well as on the Veterans Affairs Committee and its Subcommittee on Hospitals and Health Care. Kreidler is a new member of Congress representing the newly created 9th district of Washington. His constituents include commuters working in Seattle and Tacoma as well as a large number of veterans and reservists. Kreidler is thus particularly concerned with transportation and veterans issues. He is a also strong environmentalist and avidly pro-choice, which makes him popular with women's groups. Kreidler joined the President at Boeing last month and flew on Air Force 1, with the entire Washington delegation, back to DC.

♦ **REP. MARJORIE MARGOLIES-MEZVINSKY (D-PA)**

Congresswoman Margolies-Mezvinsky's 13th district includes both the affluent Main Line suburbs of Montgomery County and the lower income areas surrounding Valley Forge. Margolies-Mezvinsky won a narrow victory in the formerly Republican district, which has traditionally been liberal on social issues and conservative fiscally. As the mother of eleven children, some of whom she adopted from Asia, she is a strong advocate of family values and calls for full funding for Head Start, controlling guns and violence and ensuring a woman's right to choose.

♦ **REP. BLANCHE LAMBERT (D-AR)**

As you know, Congresswoman Lambert is the first woman to represent Arkansas' first district. In addition to Energy and Commerce, she has taken seats on the Agriculture and Merchant Marine and Fisheries Committees and has joined the Congressional Women's Caucus.

August 18, 1995

MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris J.
RE: Potential Rockefeller problem and Jackson Hole health care meeting invite
cc: Melanne

Senator Rockefeller has raised serious concerns about how a recent HCFA regulation has been handled. On September 1, we are going to be releasing a regulation related to hospital payment methodology that will seriously displease him. It is important to note that the not-for-profit hospitals (particularly, the Catholic Health Association) will strongly support this regulation. In case Senator Rockefeller raises this issue with the President or you, I thought you might want to have the attached one-pager that describes this situation.

On an unrelated matter, Paul Ellwood has sent you an invitation to participate in an upcoming meeting (August 25th and 26th) with the Jackson Hole group. Bruce Vladeck is already scheduled to be there for the morning of the 25th -- at Donna Shalala's request. We are already getting some media calls about your possible participation at the meeting -- CNN being the most noteworthy. (I said I had no idea, that we just got the invitation, but that I knew you were fairly heavily scheduled already.)

The immediate questions, of course, are do you want to attend and is it advisable for you to attend? Bruce believes that your attendance will raise this group's profile more than is desirable and thinks it would be unwise for you to go. He does not wish to raise their profile because Jackson Hole continues to give intellectual cover for Republican's desire to change the Medicare program from a defined benefit to a defined contribution program. (Ira strongly agrees and believes if "you -- or the President -- goes, he should go.")

There certainly is evidence to back-up the "no-go" recommendation by Bruce and Ira. Just recently, Alain Enthoven and Sara Singer submitted the attached op ed to *The New York Times* that suggested that the Republicans are on the right track with their desire to restructure the Medicare program. On the other hand, Enthoven did effectively criticize the concept of utilizing medical savings accounts for the Medicare program. Moreover, your participation might signal a desire on your and the Administration's part to reach out to some influential "players" to illustrate that we too share the desire to restructure the Medicare program.

On balance, my recommendation is that you consider sending regrets -- citing longstanding scheduling conflicts. I believe that Bruce is senior enough. I will ask that he be on his best behavior, illustrating his (and the Administration's) desire to modernize and restructure the Medicare program -- the right way. (His comments will be consistent with our expanding managed care options message, as well as with the suggestions outlined recently by Lynn Etheredge). He will oppose the magnitude of the cuts the Republicans are considering and will raise serious concerns with quick programmatic movements towards a defined contribution.

Paul Ellwood talked with me today about the status of the invitation. He would love for you to come and believes that you would find it to be very interesting. He asked that I forward you the attached letter of invitation to Bruce to give you a better idea of the type of meeting the envision for the 25th. (The 26th will be a discussion about how much and how quickly savings can be realistically expected to be produced by a restructured Medicare program.)

If you have any need for further information or want me to forward your response to their invitation, you can contact me at hurricane-infested Duck, North Carolina and can be reached -- starting on Sunday -- at (919) 261-2396. I have also left this memo (and some more detailed info) on Melanne's chair.

HOSPITAL TAX ISSUE

By September 1, HHS must release their annual hospital reimbursement regulatory directive in order for fiscal intermediaries to appropriately reimburse hospitals for the new fiscal year starting on October 1. Because of competing, strong and vocally expressed interest by Senator Rockefeller, the for-profit hospitals, and the not-for-profit hospitals a great deal of attention has been focused on an issue dealing with whether or not HCFA should change the reimbursement methodology to increase compensation for hospitals (predominantly for profit hospitals) who pay property taxes.

Background

In 1991, Medicare implemented a prospective payment system for hospitals' capital-related costs. At that time, the proprietary hospitals argued that the new reimbursement system created an inequity: the rate effectively assumed that all hospitals paid property taxes. They contended that the methodology undercompensated them for their costs and overcompensated those hospitals who had paid no property taxes. Then HCFA Administrator Wilensky made a commitment to consider addressing this issue if a feasible adjustment to the methodology could be developed. However, since methodology changes need to be budget neutral, any changes would effectively take money away from many not-for-profits.

Despite internal misgivings, HCFA felt obligated to publish for public comment a proposal to address the for-profit hospital concerns. The not-for-profits (particularly the Catholic Health Association) strongly weighed in their opposition. They argued there are many inequities in the reimbursement system and singling one element of the methodology does not make sense and would effectively replace one inequity with another. Purely on policy grounds, HHS agrees with this position.

Recently, Senator Rockefeller advocated on behalf of a number of for-profit hospitals in his state. He had conversations with Administrator Bruce Vladeck and feels he was given the impression that the Department would rule in favor of the proprietary hospitals. (Bruce and Donna do not see how he came to this conclusion.) Subsequently, when Senator Rockefeller learned the Department may be going the other direction, he called Carol Rasco, Secretary Shalala and Chris Jennings to express his frustration and anger, as well as to promote some compromise approaches being suggested by the for profits.

HHS Decision

After an extensive policy and political vet, HHS has concluded that it is not advisable to change the reimbursement policy. They believe that the compromises put forward by the proprietary hospitals are still problematic. Probably just as important, because of the statutory requirement to publish the new rates by September 1st, they simply do not have sufficient time to change their policy. It is important to know, however, that the HHS decision is likely to result in significant ill feelings from both Senator Rockefeller and the for profit hospital community. HHS is now in the process of developing a strategy (perhaps a West Virginia-based field hearing on this issue) to assuage Senator Rockefeller.

JACKSON HOLE GROUP

FACSIMILE COVER LETTER

We are transmitting 11 page(s) (including this cover letter) to be delivered immediately.

TRANSMITTING TO:

NAME: Chris Jennings

COMPANY:

PHONE:

FAX: 202-456-7028

MESSAGE:

IF YOU DO NOT RECEIVE ALL PAGES, OR HAVE ANY QUESTIONS, PLEASE CALL AS SOON AS POSSIBLE.

TRANSMITTING FROM:

NAME: Teri Norris, Office Administrator

PHONE: 307-739-1176

FAX: 307-739-1177

DATE: 8/18 TIME: 3:39p BY: TN

Mailing Address: P.O. Box 350 Teton Village, WY 83025
Fed-Ex/UPS: 6700 North Ellen Creek Road Jackson, WY 83001
307-739-1176 Fax: 307-739-1177

Bruce Valdeck *Faxed August 17, 1995*
Administrator
HCFA
200 Independence Ave., SW, Room 314G
Washington, DC 20201

August 17, 1995

Dear Bruce,

I am enclosing various pieces of information, including an agenda, concerning the forthcoming meeting which begins August 24, 1995 at 4:00pm and concludes August 27, 1995 at noon.

The discussions of Medicare are undoubtedly the most timely and significant ones that will occur at the August 24-27, 1995 meeting. I am expecting that we can take away from your interaction a series of very positive and specific suggestions for consideration by Congress, the Administration, and the public. Rather than send individual lists of topics to each of you, I will try in this letter to identify what is anticipated from the various discussants of Medicare. As usual, each person assigned to open up a topic will make a brief statement based on their own observations and experience to be followed or interrupted by discussion from the rest of the group.

We intend to divide the Medicare session into two segments, the first on Friday AM, August 25 and the second Saturday AM, August 26. The first session focusing on the feasibility and the possible impact of giving the existing Medicare program a more managed care orientation will be lead by you and Len Schaeffer (see the enclosed paper by Lynn Etheredge on managing Medicare). You will start with the kinds of new authorities that he believes will allow him to manage the program more effectively and will speculate on the magnitude of savings that might accrue. Len is someone who has run HCFA and now runs a large managed care based Blue Cross plan. He will compare the ability of the two systems to manage care and will provide his own speculation as to the manageability of care in the HCFA context.

From the second segment of the Medicare discussion on Saturday AM, August 26, I hope we will elicit specific recommendations on at least five topics:

Overview of Congressional Proposals - What is Implementable?

- Switching Medicare to a defined contribution program.
- Capping and equalizing the Federal payment to risk contractors.
- Dismantling and privatizing HCFA.
- Multiple equivalent benefit packages.
- Medicare MSA's.

You and Bill Gradison will undertake the impossible task of summarizing the most likely Republican and Democrat proposals for Medicare reform. Harry Cain will give his views on what might allow for Medicare to be switched from a defined benefit program to a defined contribution program. Bill Price, who heads FHP, one of the largest Medicare risk contractors will discuss two hot topics - capping and equalizing Medicare contributions across the country to risk contractors. Lucretia Myers of FEHBP, draws the enviable assignment of speculating about dismantling and privatizing HCFA so that it more closely resembles the Federal Employees Health Benefits Program. Alain Enthoven will discuss two of his favorite topics: competing without standardizing benefits and the implications of Medicare MSA's (see enclosed op-ed piece from August 16, 1995 New York Times). I have been very arbitrary in setting each of you up as discussion leaders on various topics, but I know you all have opinions on every one of them and a free-for-all is inevitable. Despite the scope of these discussions, I really hope that we can modify the initial set of Jackson Hole Group suggestions, which are enclosed, to incorporate any new and better ideas that come from the group.

TOTAL P.003

Jackson Hole Group Meeting
August 24 - 27, 1995
Jackson Hole, Wyoming

THE HEALTH CARE REVOLUTION'S MIDLIFE CHALLENGES

Thursday
August 24, 1995
4:00 pm -
7:00 pm

Goals of the Meeting
Paul M. Ellwood, MD, President
Jackson Hole Group

Managed Care Responds to its Fans and Critics
Lou Ann Cash, Vice President - Benefits Planning
American Express

John K. Iglehart, National Correspondent
New England Journal of Medicine

Friday
August 25, 1995
7:30 am -
11:30 am

Managing Traditional Medicare Like Managed Care
Bruce Vladeck, Administrator
HCFA

Leonard Schaeffer, Chairman & CEO
California Blue Cross

Medicine Reinvents its Relationship with Managed Care
Alan Nelson, MD, Executive Vice President
American Society of Internal Medicine

Robert Doherty, Vice President for Government Affairs and Public Policy, ASIM

INFORMAL JACKSON HOLE ACTIVITY

Friday
August 25, 1995
4:00 pm -
7:00 pm

Can the Doctors Recapture the New American Health System?
Jim Reinertsen, MD, CEO
Health System Minnesota, Park Nicollet Medical Center

Friday, August 25, 1995 Cont.

Kirk Johnson, JD, General Counsel, Group Vice President for Health Policy Advocacy, AMA

Giving Consumers "the FAccts" About the Quality of Managed Care

Dwight McNeill, Information Manager
GTE Labs

Jack Faris, President & CEO
NFIB

The Potential Value of Common Population Based Approaches to Quality Accountability to Device and Pharmaceutical Manufacturers, Information System Developers, and Policy Makers

Glen Nelson, MD, Vice Chairman
Medtronic

Fred Telling, PhD, Senior Vice President of Planning and Policy, Pfizer, Inc.

Faye Baggiano, PhD, Health Policy Advisor
EDS World Wide

Saturday
August 26, 1995
7:30 am -
11:30 am

Can the Combination of Managed Care and Managing Traditional Medicare Produce $250 Billion in Savings in the Next Seven Years?

Overview of Congressional Proposals:
What is Implementable?

A. Switching Medicare to a Defined Contribution Program.
B. Capping and Equalizing the Federal Payment to Risk Contractors.
C. Dismantling and Privatizing HCFA.
D. Multiple Equivalent Benefit Packages.
E. Medicare MSA's.

Saturday, August 26, 1995 Cont.

Bill Gradison, President
HIAA

Bruce Vladeck, Administrator
HCFA

Harry Cain, Executive Vice President
Blue Cross & Blue Shield Association

Wescott W. Price, III, President & CEO
Family Health Plan

Lucretia Myers, Assistant Director for
Insurance Programs, FEHBP

Alain Enthoven, PhD, Marriner S. Eccles
Professor of Public and Private
Management, Stanford University

INFORMAL JACKSON HOLE ACTIVITY

Saturday
August 26, 1995
4:00 pm -
7:00 pm

Accommodating Academic Health Centers to the Restructured American Health System

Robert Waller, MD, President & CEO
Mayo Foundation

C. Thomas Smith, President & CEO
VHA

Ralph Snyderman, MD, Chancellor for Health Affairs,
Dean - School of Medicine, Duke University Medical
Center

Sunday
August 27, 1995
7:30 am -
11:30 am

Uniform Benefits Revisited
Michael Stocker, MD, President & CEO
Empire Blue Cross & Blue Shield

Jackson Hole Group Meeting
August 24 - 27, 1995
Jackson Hole, Wyoming

Attendees:

Faye Baggiano, PhD
Health Policy Advisor
EDS World Wide

Frank Barker
Corporate Vice President - Corporate Affairs
Johnson & Johnson

Harry Cain
Executive Vice President
Blue Cross & Blue Shield Association

LouAnn Cash
Vice President - Benefits Planning
American Express

Robert B. Doherty
Vice President for Government Affairs and Public Policy
American Society of Internal Medicine

Paul M. Ellwood, MD
President
Jackson Hole Group

Alain Enthoven, PhD
Marriner S Eccles Professor of Public and Private Managment
Stanford University
Trustee - Jackson Hole Group

Peter Ernster
Senior Vice President
Merck & Company

Jack Faris
President & CEO
NFIB

Bill Gradison
President
HIAA

John Iglehart
National Correspondent
New England Journal of Medicine

Kirk B. Johnson, JD
General Counsel
Group Vice President for Health Policy Advocacy
American Medical Association

Margaret Jordan, BSN, MPH
Vice President
Southern California Edison Company
Trustee - Jackson Hole Group

Kermit Knudsen, MD
Director, Center for Outcomes Study
Scott & White

Alice Lusk
Corporate Vice President, Insurance and Healthcare Group
EDS
Trustee - Jackson Hole Group

Dwight McNeill
Information Manager
GTE Labs

Lucretia Myers
Assistant Director for Insurance Programs
FEHBP

Alan Nelson, MD
Executive Vice President
ASIM

Glen Nelson, MD
Vice Chairman
Medtronic, Inc.

Wescott W. Price, III
President & CEO
Family Health Plan

James Reinertsen, MD
CEO
Health System Minnesota/Park Nicollet Medical Center

Daniel Roble, Esq
Ropes & Gray
Trustee - Jackson Hole Group

Gary Rudin*
Corporate Vice President & Group Executive, Health Care Industries
EDS

Leonard Schaeffer
Chairman & CEO
California Blue Cross

Craig Schub
President - Secure Horizons USA
Senior Vice President, Government Programs
PacifiCare

C. Thomas Smith
President & CEO
VHA
Chairman, Board of Trustees - Jackson Hole Group

Ralph Snyderman, MD
Chancellor for Health Affairs
Dean, School of Medicine
Duke University Medical Center

Michael Stocker, MD
President & CEO
Empire Blue Cross & Blue Shield

Fred Telling, PhD
Senior Vice President of Planning & Policy
Pfizer, Inc.

Bruce Vladeck
Administrator
HCFA

Robert Waller, MD
President & CEO
Mayo Foundation
Trustee - Jackson Hole Group

* have not confirmed attendance.

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Hillary Clinton Re: Medicaid and Tennessee Information/Trustees' Quadrennial Recommendation (2 pages)	4/13/95	P5

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

FOLDER TITLE:
Undated HSA Files [5]

Gary Foulk

gf126

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(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]

~~CONFIDENTIAL~~ **MEMORANDUM**

TO: Hillary Rodham Clinton April 13, 1995
FR: Chris J.
RE: Medicaid and Tennessee Information/Trustees' Quadrennial Recommendation
cc: Melanne

Attached you will find an extensive and internal Medicaid background document, which was prepared by OMB. It includes a fairly balanced description of the TennCare program starting on page 21.

As you know (and as referenced today by Alice Rivlin), we take the "official" position that our scoring for the TennCare waiver is budget neutral. In its report released last week, the General Accounting Office actually concluded that TennCare was better than budget neutral. Although they used differing scoring methodology, **the GAO and OMB reached their conclusions primarily because their analysis assumed (as did the deal the Administration cut with Tennessee) that the Federal Government would continue to fund the program at pre-waiver levels, which (according to OMB) "had supported 21% annual growth rates over the 5 years preceding the waiver."** In other words, we accepted what appears to be a highly inflated base.

Not surprisingly, the incredible growth rates of the late '80s and early 90s were the result of unprecedented increases in the State's disproportionate share hospital program. The Federal Government's funding for this program (approximately $430 million per year) was the result of revenue produced from the state's infamous provider tax mechanism. Although no one can say with absolute certainty what would have happened to Tennessee's financing situation without its waiver, the fact that we have declared most of these provider financing schemes illegal certainly casts doubt as to whether we or the Congress would have permitted their past funding streams to continue.

Keeping the above in mind, **questioning whether Tennessee's remarkable coverage achievement could have occurred without the large base as a foundation seems quite reasonable. Therefore, suggesting that we are probably paying more than we otherwise would have also seems logical.** Having said this, Tennessee has not spent all the Federal dollars available to it and they apparently still have hundreds of thousands of newly insured citizens. (Some suggest that the State's inability to collect premiums from the poor has made it impossible to raise the dollars necessary to obtain the Federal matching dollars; this helps explain why the GAO study concluded that Tennessee is better than budget neutral.) In addition, one of Tennessee's most remarkable achievements has been its apparent ability to enact and maintain significant reimbursement reductions and successfully get providers to give care to the newly insured.

As you know, the State waivers are under incredible scrutiny by the Republicans. They are criticizing us for using financing mechanisms that -- evil of all evils -- expand coverage rather than reduce the deficit. Expanding coverage through Medicaid -- even if it has meant some creative Federal financing -- might not be something we want to publicly critique. In fact, we may want to take a "we have no apologies for expanding coverage" position.

On the other hand, preliminary analysis of Tennessee seems to indicate that the State may be in trouble in terms of being able to maintain its coverage level or assurances of access to quality care. It may well be that Tennessee attempted to cover too many people, too quickly, and will have to downsize to more of an Oregon model. Frankly, based on everything I know at this moment, it is too early to tell just what is going on Tennessee. I have a group of people quietly analyzing the "real truth" behind the Tennessee experiment and I hope to have a more complete report sometime next week.

In the interim, in dealing with Joe Klein (sp?), I would suggest that Melanne or I call him and give him an off-the-record description of the Tennessee budget neutrality issue. We could explain why it was scored "budget neutral," but also could explain the base issue. If you think we should give him more on the cost issue, I might suggest that we forward him onto someone like Diane Rowland of Kaiser. She would be more than happy to discuss this issue with him. Does this sound like a reasonable strategy to you?

QUADRENNIAL COMMISSION ISSUE

I did some quick checking about the Social Security Trustees recommendation vis a vis the Medicare Quadrennial Commission. You will be pleased to know that they did make a specific recommendation that legislation be passed to re-establish the Quadrennial Commission on Medicare to examine issues of insolvency in the program. (The authorization for the previous Commission was repealed in the legislation establishing an independent Social Security Administration.)

Despite the recommendation, the trustees made no reference as to when recommendations would be due, nor as to the membership of the Commission, nor as to who would make the appointments to the Commission. Having said this, if the legislation authorizing this Commission is consistent with that of prior quadrennials, the language would read that the Secretary appoints and pays all the members. In the appointments the Secretary makes, she would be directed to produce a non-political, balanced group. Past statutory authority has given the Secretary (and therefore the Administration) fairly wide latitude, however. One last important point related to timing: If the past is any lesson, the Quadrennial Commission's report usually comes out 12-18 months after appointments in place.

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Chris Jennings to Distribution Re: Upcoming CBO Reports (2 pages)	4/15/93	P5
002. memo	Chris Jennings to Hillary Clinton Re: Meeting with Senator Durenberger (2 pages)	3/8/94	P5
003. memo	Chris Jennings to Hillary Clinton Re: Thursday Meeting with Ron Wyden (1 page)	3/10/93	P5
004. memo	Chris Jennings, Steve Edelstein to Hillary Clinton Re: Meeting with Senator Biden (2 pages)	3/8/94	P5
005. memo w/attach	Linda Bergthold, Robert Valdez to Hillary Clinton Re: President Clinton's Meeting with Congressional Caucus for Women's Issues on Thursday, March 11, 1993 (9 pages)	3/10/93	P5
006. memo	Chris Jennings to Hillary Clinton Re: Meeting with Conservative/Moderate Democrats (1 page)	3/16/93	P5

COLLECTION:
Clinton Presidential Records
Domestic Policy Council
Chris Jennings (Health Security Act)
OA/Box Number: 23758

FOLDER TITLE:
HRC Memos-HSA [4]

Gary Foulk

gf127

RESTRICTION CODES

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

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

M E M O R A N D U M

TO: Distribution
FR: Chris Jennings
RE: Upcoming CBO reports

April 15, 1993

In not-for-attribution conversations with key Congressional staffers, it has come to my attention that the Congressional Budget Office (CBO) is about to release four different reports related to health care. The reports and their projected release dates are:

	CBO REPORT SUBJECT	PROJECTED RELEASE DATE
1.	**Single Payer/All Payer Update Report.** Apparently concludes that all payer rates would significantly reduce the subsidy level the Feds would have to pay for individuals and/or employers (b/c it would reduce plan costs). I believe Stark will like this one, and might well publicize.	**Within Two Weeks**
2.	**Managed Competition Report.** Likely will conclude that traditional model of managed competition will not save money over the short term. If it will save any money, the report apparently concludes it will take 7 to 10 years.	**Within About a Month**
3.	**Report Evaluating Cost of Uncompensated Care.** Apparently concludes that all uncompensated care is recovered by hospitals, with at least 50 percent of it paid through private sources.	**By the End of the Month**
4.	**Report Evaluating Simulated Models.** This report reviews bills that have already been introduced and broadly models them to determine how much they cost/save.	**About Two Months Away**

If handled well, none of the previously mentioned reports should cause us much heartburn. To the contrary, they could help strengthen our case as long as we know what is in them and how to best spin any response to questions about them.

In that vein, I am trying to obtain pre-publication copies of the reports. I will keep all relevant parties apprised of the luck I am having in this regard.

It is possible that a discussion of these reports may come up in tomorrow's "let's try to be on the same page" meeting with CBO, the House and Senate Leadership/Committee staff, and Ira. Obviously, however, any discussion about the reports should not be originated by us. We are NOT the Congress and we should NOT know about the reports unless we have been explicitly informed about them by the Chairmen who requested them.

Housekeeping on the CBO meeting with Ira, Ken and whoever else goes. Attendees at the meeting are likely to be CBO's Chuck Seagraves, Paul Van de Water (sp?) -- Chuck's boss, and Kathy Langwell. These are the numbers crunchers and are very influential people. Reischauer, I am informed, will NOT be in attendance. From the Congress: Andie King, Mitchell's Bob Rosen, the House and Senate Budget Committees, the House Ways and Means Committee (the primary host), the Energy and Commerce Committee, the Senate Finance Committee, and the Senate Labor and Human Resources Committee.

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

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

March 8, 1994

Tomorrow you are scheduled to meet with Senator Dave Durenberger (R-MN). Durenberger, serving on both Finance and Labor, is a Chafee and Breaux cosponsor and is key if a bipartisan bill is to be achieved in the Senate.

BACKGROUND:

Senator Durenberger, who faces renewed legal difficulties, is thought by many to be looking for political redemption through passage of health care reform as he concludes his Senate career.

Senator Durenberger wants to be a player on health care reform although it is not completely clear how. He apparently is looking to work through the Finance Committee, as opposed to the Labor Committee, to develop a bipartisan compromise on health care reform. However, he does not want to be singled out by the Administration for discussions and negotiations, feeling that many Republicans already distrust him. It is his belief that he can be more constructive working through the Republican Caucus reaching out to other moderates.

In that regard, he recently sent a "Dear Colleague" letter that went to all Republican Senators. In it, he cautioned them against giving into the Kristol arguments, that there is not crisis and that modest incremental reforms would suffice. He expressed the view that Republicans needed to be major players in this debate and that because the Administration has set no parameters except universal coverage there was a lot of room for them to operate. He goes on to try to attract other moderate members noting that even more than the Democrats, moderate Republicans have the most experience in developing middle ground solutions. (The letter is attached for your review.)

In separate meetings this year with Chris Jennings and Roger Altman, Durenberger has raised a number of issues. Foremost among them is the definition of universal coverage. He believes the image of an American waving his card is wrong and won't fly. In his view the problem isn't the uninsured - it's the cost, and universal coverage without Medicare/Medicaid reform isn't viable. He could not get the Republicans to agree on a definition in Annapolis but he'll be interested in our definition.

He has consistently questioned the financing of the HSA and has real problems with the employer mandate. While he has left the door open on an employer mandates, he does not believe that it can pass at close to the 80% level that has been proposed in the plan. He also does not think the 7.9% employer cap will hold and fears it is a promise we will not be able to keep.

He was reportedly disturbed that CBO projected health care spending rising from the present 14% of GDP to 19% in 10 years if the HSA is adopted. He made light, however, of the $132 billion difference between the HSA's and CBO's short-term deficit estimates.

Senator Durenberger opposes premium caps but won't reject them out-of-hand. On alliances, he felt Florida's experience with voluntary alliances was discouraging and that we were focusing too much on alliances and too little on accountable health plans. Publicly, however, Durenberger has also expressed doubts on the need for alliances to have exclusive regional authority, and cites the Minneapolis-St. Paul area, where a buying cooperative of 22 companies has managed to drive down costs and to influence local health plans.

In a lengthy insert in the February 7 Congressional Record, Durenberger said he was fearful of "personalizing reform" with emphasis on Cooper, the President, and the First Lady. He emphasized the possibility for consensus "in guaranteeing that every American will never have to, in the future, go without the security of access to needed health care and medical services and long-term care service in this country." (The Record Statement is attached for your review.)

He has been engaged in ongoing discussions with Senator Kennedy but according to Kennedy's staff there has not been much movement.

TALKING POINTS:

General: You may wish to note that this meeting is part of an ongoing series of discussions that you and the President are having with many members on health care reform. This is not an attempt to single him out but rather an opportunity to seek his advice on this issue.

Committee Action: You may wish to ask him about the Labor and Finance Committees and how he views the current state of those two committees as well as his opinion on how to work the process to attract moderate Republicans.

M E M O R A N D U M

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Thursday Meeting with Ron Wyden
cc: Melanne, Lorraine, Kim Tilley

March 10, 1993

In response to his invitation, you are scheduled to meet with Ron Wyden (D-Oregon). Staffing him for this meeting will be David Schulke, a well respected and former David Pryor Senate Aging Committee staffer.

BACKGROUND

Congressman Wyden is well known in health reform circles. He is very adept at picking hot topic health issues, moving quickly to address them -- particularly through the press, and introducing relevant legislation. In recent years, he has been at the forefront of such issues as prescription drug cost containment, long-term care private insurance standards, and state flexibility. (All three of these issues have also been strongly advocated by Senator Pryor).

During last year's effort by the House to achieve a Democratic consensus on health reform, Congressman Wyden and Congressman Synar attempted to play the mediator role between the Gephardt/Stark government regulation approach and the Cooper/Andrews/Stenholm managed competition approach. He believes there is some middle ground and he wants to be one of the Members who helps you find it. Although he will work closely with Chairmen Dingell and Waxman, he views himself as a major player as well and hopes you will treat him as one. Apparently, FYI, he was very happy that you mentioned his name in yesterday's meeting with the Energy and Commerce Committee.

LIKELY DISCUSSION

A number of issues may come during your discussion with Congressman Wyden, including: (1) How best to talk about revenues and recapture provisions, (2) How best to target wavering Members and what Wyden's role can be in this regard; and (3) the provision of state flexibility and, somewhat related, the status of the Oregon waiver request. This visit is very important to Congressman Wyden. If it turns out like I believe it will, you will have another strong and helpful ally in the House.

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
IN ___ DATE: ___

HRC memo file

PRIVILEGED AND ~~CONFIDENTIAL~~ MEMORANDUM

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

March 8, 1994

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: ___ DATE: 8·23·05

Tomorrow you are scheduled to meet with Senator Joseph Biden (D-DE), chairman of the Senate Judiciary Committee.

BACKGROUND:

Senator Biden has not focused very much attention on health care reform, dedicating himself almost exclusively to the passage of the crime bill. To date, he has not cosponsored any major health reform bills. He has expressed major reservations about the President's plan and how it has been perceived by and sold to the general public. One of the consequences of this may be that he has been one of the few Democratic members who have declined to sign Senator Wofford's universal coverage letter.

In the past, Biden has said that he does not favor single payer and is concerned that play-or-pay could lead to rationing. He has also been skeptical about managed competition and is especially concerned about HMOs and their role.

He is naturally interested in the malpractice and anti-trust provisions which fall within his committee's jurisdiction. To date he has not expressed any major objections to our formulations. Last spring, he expressed his opposition to caps on non-economic damages and preferring caps on attorney's fees. He will be nervous about moving too far from where we are toward the health industry positions.

His concerns go beyond the jurisdictional issues. Biden has an opinion on the broader issue of reform as well. In previous meetings he has expressed the general view that we have to be careful about loading up any legislative package with too many bells and whistles and he would think our bill goes to far in that regard. Accordingly, he may advocate that some provisions be jettisoned but he might not be ready to enumerate them until he has more of a chance to focus. He has expressed specific concerns that the benefit package may be too generous as well as the impact on small business. He has major objections to a tax cap and believes that ultimately the Republicans will run away from it.

Biden voted for Budget Reconciliation, National Service, and NAFTA. As is his style, he can be expected to be a bit long-winded and overly deferential in your meeting.

TALKING POINTS:

Universal Coverage: You might want to talk to him about the importance of universal coverage, his reluctance to sign the Wofford letter and explore his reservations in doing so.

Committee Action: You may wish to discuss the time frame for his Committee to report out their provisions and any problems he foresees in that regard.

Seeking his Counsel: You may also wish to get his advice on more general aspects of health reform beyond the issues of his committee's jurisdiction and seek his counsel on how to proceed to achieve health care reform.

March 10, 1993

DRAFT ~~CONFIDENTIAL~~ MEMORANDUM

TO: HILLARY RODHAM CLINTON

FROM: LINDA BERGTHOLD
ROBERT VALDEZ

cc: Chris Jennings
Ira Magaziner
Judy Feder
Atul Gawande

RE: PRESIDENT CLINTON'S MEETING WITH CONGRESSIONAL CAUCUS FOR WOMEN'S ISSUES ON THURSDAY, MARCH 11, 1993

Chris Jennings has asked us to prepare a background memo for you in preparation for President Clinton's meeting with the Congressional Caucus for Women's Issues tomorrow.

Members of the benefits coverage working group representing the Congressional Caucus for Women's Issues and Senator Mikulski have indicated serious concerns about the coverage of abortion services in the benefit package and the process for developing options. In President Clinton's meeting with the Caucus on Thursday, we understand that he will be asked specifically about these issues.

BACKGROUND

Our working group was asked to explore all options related to benefit coverage as we proceed through the Tollgates. When the issue of coverage for abortion first came up, several women in our group objected to the fact that we were even considering a "no coverage" option. They said that President Clinton had clearly stated during the campaign that abortion would be covered in the benefit package, and he had not backed away from supporting abortion when this issue confronted Secretary Shalala during preparation for the confirmation hearings.

The women's advocates in our group emphasized that anything less than clear support for abortion coverage now would be a "signal" to women that the President was abandoning his original commitment. Following discussion with you, Atul and Judy asked us to continue developing all options for consideration (see our options in Attachment A).

ISSUES

Should abortion be covered in the core benefit package?

The problems with including abortion services in the core benefit package are clear. There are probably not enough votes in the Senate to pass a health care reform package that explicitly includes abortion. Support in the House may also be weakened.

Excluding abortion from the core benefit package has obvious political implications. Women's groups perceive that abortion service guarantees can or will be addressed as part of overall system reform. Some women perceive that abortion has been promised as part of the core benefit package.

If part of the core, should abortion be implicitly covered as part of pregnancy related care or as a surgical procedure or explicitly identified?

Making abortion an implicitly covered service may postpone direct confrontation for a short time, but the first time someone asks "Is abortion covered?" a direct answer will be required. Subjecting abortion services to medical necessity provisions is strongly opposed by the Congresswomen as well, because it allows for too much ambiguity and returns power over the decision to medical providers.

The advocates in our working group have presented **three options** for abortion coverage. The options they have outlined are: 1) Establish a comprehensive reproductive health benefit including family planning, abortion as part of maternity related care, and post-reproductive care; 2) Integrate abortion services into prevention and maternity care; and 3) Cover abortion as part of maternity-related care only. Their options do

not exclude abortion, make it a state issue, or subject it to medical necessity control.

We have developed several options for covering abortion short of making it a core benefit in Attachment A. We have also attached provisions for covering abortion in selected western countries in Attachment B.

SUGGESTED TALKING POINTS

Given the complexity of this issue and the importance of gaining as much time as possible to resolve differences among supporters, we would suggest the following talking points for the President in tomorrow's meeting:

- Reaffirm support for a woman's right to choose and indicate that he and you understand this issue very well.
- Explain the importance of maintaining the integrity of the Tollgate process, which requires that all issues and options be explored until the narrowing process begins.
- Indicate that treating abortion differently from other issues at this time will create a credibility problem both within the Task Force work groups and outside.
- Explain that you want to develop mechanisms that allow all women to have access to the entire range of reproductive services. This may mean creating provisions or programs outside the benefit package.
- Ask for their patience and support during this planning phase. Ask them to work with him to develop options and strategies that will support the passage of the overall health care reform bill and guarantee the woman's right to choose.

ATTACHMENT A
OPTIONS FOR COVERAGE OF REPRODUCTIVE HEALTH SERVICES

Our working group has considered several options related to the coverage of reproductive health services, including abortion. As we prepared our Tollgate papers, we collected information on current coverage of abortion in the U.S. and abroad:

Many European countries cover abortion subject to some conditions (**see Attachment B**);

Data on the coverage of abortion services in U.S. private insurance plans is difficult to obtain. Many private plans implicitly cover these services;

Some HMOs and private insurers cover abortion subject to definitions of "medical necessity" only;

Ten states have laws that require the exclusion of abortion services from at least some private coverage. Only twelve states fund Medicaid abortions for low income women using state funds;

The Hyde Amendment restricts federal funding except in cases where the life of the mother is endangered if the fetus is carried to term.

This patchwork of coverage demonstrates the highly sensitive nature of the coverage and the lack of consensus on financing arrangements in either the public or private sector.

We think that there are four main options for coverage of abortion:

OPTION 1: Exclude abortion services from the core benefit package.

PRO: Mollifies opponents of abortion.

Keeps the focus of health care reform on system change.

CON: Provokes strong attacks by most women's groups and weakens support among critical allies. Would be viewed as a serious breach of commitment by the President.

SUBOPTION A: Make abortion coverage available in a supplemental package, with subsidies for low income women.

PRO: The subsidizing of abortion services for low income women may be acceptable to some women supporters and has good chance of gaining support from moderate groups.

Making abortion coverage a supplemental coverage issue may soften some of the opposition by abortion opponents.

CON: Including abortion in a supplemental package may be seen as backing down from broader support.

OPTION 2: Include abortion services implicitly in the core benefit package as part of maternity related care or outpatient surgery.

PRO: May avoid immediate direct confrontation with opponents of abortion and buy time for building broader support among women's groups.

CON: Strategy becomes apparent as soon as anyone asks, "Is abortion covered or not?"

Raises "medical necessity" issues.

OPTION 3: Mandate states to cover abortion services for low income women.

SUBOPTION A: States could be given the option of covering abortion services.

PRO: Removes issue from central point of attack: federal support for abortion.

Supports states' rights.

CON: Bumping this down to the states will be politically contentious and potentially inequitable.

OPTION 4: Cover abortion services subject to a "medically necessary" provision.

PRO: Treat abortion coverage the same as other services subject to determinations of medical necessity.

CON: Women's groups will strongly object to the language of medical necessity, because of the potentially narrow legal definition of necessity, the violation of privacy concerns, and possibility of abuse by providers.

Within the context of managed competition, providers might withhold these services selectively because of personal convictions. Furthermore, some providers may refuse to provide them altogether by invoking the "conscience clause."

ATTACHMENT B

ABORTION LAWS IN SELECTED COUNTRIES *

Country	First Trimester	Second Trimester	Third Trimester
Austria	12 weeks upon request of the pregnant woman	because of danger to the health of a pregnant woman or eugenic reasons; if the pregnant woman is a minor	because of danger to the health of a pregnant woman or eugenic reasons; if the pregnant woman is a minor.
Belgium	12 weeks upon request	no further information is available	no further information is available
Bulgaria	12 weeks upon request	no upper limit for medical reasons	no upper limit for medical reasons
Canada	medical reasons		
France	10 weeks, upon request, for reason of distress	no limit for therapeutic abortions	
Germany, West	12 weeks in case of rape, distress, or socioeconomic reasons	22 weeks for eugenic reasons	beyond the 22 weeks because of serious physical or mental impairment of the pregnant woman
Great Britain	risk to the life or health; eugenic reasons	no upper legal limit; 28 weeks is prescribed by the Infant Life Preservation Act of 1929	

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* Source: "A Comparative Survey of the Laws on Abortion of Selected Countries," Law Library of Congress, April 1990, LL 90-32.

Sweden	12 weeks upon request	18-19 weeks upon authorization of the Department of Social Affairs	over 18 weeks because of serious threat to the health of the pregnant woman
Switzerland	in order to save the life of the mother or to avert a great danger of permanent harm; no time limit set		

*. The beginning of a second trimester has been interpreted by the medical profession to be between 13-14 weeks' gestation depending on the reference point. The definition of the end of the second trimester is also vague, ranging between 27-28 weeks.

M E M O R A N D U M

TO: Hillary Rodham Clinton March 16, 1993
FR: Chris Jennings
RE: Meetings with Conservative/Moderate Democrats
cc: Melanne, Lorraine, Steve

Last year, the House did not have anywhere close to a sufficient amount of Democratic support to even consider a vote on last year's Gephardt health care reform plan. One of the major problems was that the moderate/conservative Democrats did not feel it necessary or in their interest to sign on.

With the election of a new Democratic President, the dynamics most definitely have changed. Having said this, as evidenced by the conservative Democrats position on the President's economic package, it cannot be assumed that these Members will jump on board the President's health care reform plan. If these Members can use the excuse that they have not been consulted with or taken seriously, many may well not hesitate to oppose the health reform proposal and offer an alternative that a number of Republicans might find attractive.

With the above in mind, and even though I know how hectic your schedule is, I believe it is in your and the President's best interest for you to meet with the three conservative Democratic membership organizations that have formed in the House. Because of his experience with these Members, Dick Gephardt strongly endorses this idea. The three groups are:

(1) the Budget Study Group -- (fiscal but generally not social conservatives), Chaired by Congressman David Price from North Carolina;

(2) the Mainstream Forum -- (perceive themselves to be generally moderate, but frequently vote conservative), Chaired by Congressman Dave McCurdy from Oklahoma; and

(3) the Conservative Democratic Forum -- (the most conservative organized group in the House), Chaired by Congressman Charles Stenholm from Texas.

Although there is some membership overlap on these groups, particularly from the larger Budget Study Group, Melanne, Andie King (from Gephardt's staff) and I believe that (unfortunately) separate meetings are advisable. May we proceed and ask Patti to start the process of scheduling these meetings?

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo w/attach	Chris Jennings to Hillary Clinton Re: Bipartisan Senators Meeting (54 pages)	4/29/93	P5
002. memo w/attach	Chris Jennings to Hillary Clinton Re: Tuesday Meeting with Congressman McDermott (5 pages)	4/28/93	P5

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Gary Foulk

gf128

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]

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RR. Document will be reviewed upon request.

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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]

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: Bipartisan Senators Meeting
cc: Melanne, Steve, Ira, Judy

April 29, 1993

Senator Mitchell and Senator Dole have extended invitations to all their rank and file Members to attend tomorrow morning's meeting with you, Ira, and Judy. The collection of Senators will likely be diverse, but it remains unclear how many Members will be in attendance.

BACKGROUND

Majority Leader Mitchell has asked that you start off at his office about 5-10 minutes before the 9:00 start up time. The Majority Leader will then escort you to the Members meeting.

In the front of the room will be a table for Senator Mitchell, Senator Dole, you, Ira, and Judy. Similar to Jamestown, Senator Mitchell will make a short introductory statement. He will recognize Senator Dole for a quick comment, and then the floor will be yours. Senator Mitchell is expecting you to give a 10-15 minute presentation. He has suggested that you stay away from financing, but focus more on the general outline of the plan (see attachment 1) and the process by which you envision it getting completed, introduced, and passed.

Following your remarks, Senator Mitchell and Senator Dole will call on their Members for questions, statements, etc. At this point, you should feel free to call on Ira and Judy to help answer questions.

POINTS TO HIT IN YOUR REMARKS

Although there a number of messages that would be wonderful to convey in your presentation, four come immediately to mind:

(1) Health Care This Year. The President and you are no less committed to getting health care passed this year and we will be working closely with the Democratic and Republican Leadership of both Houses to determine the best timetable for assuring this outcome (the Panetta remarks have severely reduced expectations);

(2) Bipartisan Issue. Health care is a bipartisan issue and we intend to be spending a great deal of time meeting with all Members interested in achieving the President's goal of cost containment and universal coverage. (The latest report is that, despite the bipartisan Finance Committee meeting, the scheduled bipartisan Senate Labor and Human Resources Committee meeting, and the scheduled Congressional Republican Leadership meeting -- see attachment 2 and its list of meetings, the Republican Members still feel left out of our process);

(3) Uniquely American Plan. We believe we can learn from and incorporate the best ideas of many Members into a workable, uniquely American health care reform proposal. (Few Members have a good feel for what direction we are heading and it might be somewhat comforting to cite examples of merging principles of managed competition and single payer plans.)

(4) Everyone is Held Accountable. Everyone will be held accountable and to contribute to the new system. While we will ask businesses to contribute, employees will be asked to do their fair share as well. Likewise, just as we will ask insurers, pharmaceutical manufacturers, and other health care providers to contribute to this reform, we must require that the Government be held accountable as well. We can no longer just cut reimbursement, without reducing the bureaucratic burdens we place on providers. Similarly, it is high time we started to seriously address the medical malpractice issue as well. (Republicans like to hear the phrases: "no free loaders" and "individual responsibility." It is important for us to avoid the perception that we will be placing all the burdens on businesses; along these lines, please try to avoid the word MANDATE.)

BACKGROUND MATERIALS

Attached for your review tonight is a list (attachment 3) of all the Senators and their current placement on our health care reform "whip" list. As you will note, we have 22 reliable votes (all Democrats), 24 leaning yes votes (all Democrats), and 20 Members who are very achievable votes if we work them right (ten Democrats and ten Republicans) for a total of 66 possible votes.

In addition, Steve Edelstein's War Room and I have attempted to summarize the current health positions of every Senator. The lists (attachment 4) are divided into a Democratic and Republican list in alphabetical order. We hope you find this information to be useful.

Attachment 1

OVERVIEW OF HEALTH REFORM:

ALL AMERICANS ARE GUARANTEED:

- COMPREHENSIVE BENEFITS
- SECURITY AND PORTABILITY OF COVERAGE
- CHOICE OF PLANS AND PROVIDERS
- HIGH QUALITY CARE

FEDERAL GOVERNMENT WILL:

- DEFINE BENEFITS
- DEVELOP QUALITY, ACCESS, INSURANCE STANDARDS
- REFORM MALPRACTICE
- ESTABLISH FRAMEWORK FOR STATE-RUN SYSTEMS
- SET BUDGETS

STATES WILL:

- SET UP ALLIANCE TO REPLACE FRAGMENTED INSURANCE MARKET
- GUARANTEE AFFORDABLE COVERAGE THROUGHOUT STATE
- ENFORCE QUALITY, ACCESS AND INSURANCE STANDARDS
- ENFORCE BUDGETS

HEALTH ALLIANCES WILL:

- ENSURE AVAILABILITY OF VARIETY OF HEALTH PLANS
- NEGOTIATE PREMIUMS WITH HEALTH PLANS
- MANAGE ENROLLMENT
- PROVIDE CONSUMER EDUCATION AND PROTECTION

HEALTH PLANS WILL:

- ACCEPT ALL APPLICANTS AT COMMUNITY RATE
- PROVIDE GUARANTEED BENEFITS WITHIN AGREED-UPON RATE

ADDRESSING THE PROBLEMS: THE WORK TEAM PROPOSALS

PROBLEM	SOLUTION
LACK OF SECURITY	• ALL AMERICANS ARE INSURED • INSURANCE CANNOT BE DENIED OR TAKEN AWAY REGARDLESS OF HEALTH STATUS • BENEFITS AT A COMPARABLE LEVEL CONTINUE REGARDLESS OF EMPLOYMENT OR INCOME STATUS • ALL AMERICANS AND THEIR EMPLOYERS PAY INTO THE SYSTEM AT THE SAME RATE REGARDLESS OF THEIR HEALTH STATUS
CONSUMER CONFUSION	• GREATER CHOICE OF PLANS FOR MANY AMERICANS • SIMPLE UNDERSTANDABLE BENEFITS PACKAGE • ONE COVERAGE PACKAGE FOR A FAMILY • NO COVERAGE BATTLES AMONG INSURERS • GUARANTEED ACCESS TO PLANS • CONSUMER COMPLAINT MECHANISM IN PLANS AND ALLIANCE • SIMPLE REIMBURSEMENT AND CLAIMS FORMS • PUBLISHED QUALITY INFORMATION

ADDRESSING THE PROBLEMS: THE WORK TEAM PROPOSALS (CONT'D)

PROBLEM	SOLUTION
PROVIDER HASSLE	• STANDARD REIMBURSEMENT AND ENCOUNTER FORM • SIMPLIFICATION OF REGULATIONS
HIGH ADMINISTRATIVE COSTS	• ELIMINATION OF INSURANCE UNDERWRITING AND MULTIPLE RISK PRODUCTS • SIMPLIFICATION OF CLAIMS AND REIMBURSEMENT – MOVE TOWARDS CAPITATED PAYMENT SYSTEMS – SIMPLE UNIVERSAL CLAIMS AND REIMBURSEMENT FORMS DRIVEN BY UNIVERSAL ENCOUNTER FORMS • ELIMINATION OF DUAL COVERAGE AND COVERAGE DETERMINATION PRACTICES • SIMPLIFICATION OF PRODUCT REDUCES NEED FOR AGENT TO ASSIST CONSUMERS • REDUCTION IN COSTS OF SMALL GROUP ADMINISTRATION • REDUCTION IN REGULATORY REQUIREMENTS -- FORM FILLING • REDUCTION IN MALPRACTICE PREMIUMS • REDUCTION IN TIME SPENT BY PROVIDERS AND INSURERS INVESTIGATING OR DEBATING REIMBURSABILITY

ADDRESSING THE PROBLEMS: THE WORK TEAM PROPOSALS (CONT'D)

PROBLEM	SOLUTION
UNNECESSARY TESTS AND PROCEDURES	• BUDGETED/CAPITATED SYSTEMS DISCOURAGE UNNECESSARY UTILIZATION AND INTENSITY OF SERVICE BY PROVIDERS • GATEKEEPERS (IN HMOs OR PPOs), SOME USE OF COPAYS IN FEE FOR SERVICE PLANS AND PRICE COMPETITION WILL DISCOURAGE UNNECESSARY CONSUMER USAGE • NATIONAL TECHNOLOGY ASSESSMENT AND BETTER INFORMATION ON PRACTICE PATTERN DIFFERENCES AND EFFECTIVENESS OF TREATMENT WILL ENHANCE COST CONSCIOUS/HIGH QUALITY PRACTICE • BUDGETED/CAPITATED SYSTEMS ENCOURAGE MORE PRUDENT USE OF TECHNOLOGY AND MORE COST EFFECTIVE CAPITAL INVESTMENT • MALPRACTICE REFORMS WILL CUT THE COSTS OF MALPRACTICE INSURANCE AND DEFENSIVE MEDICINE
UNDERSERVED POPULATIONS	• UNIVERSAL COVERAGE • INCREASED INVESTMENTS IN INFRASTRUCTURE IN POOR URBAN AND RURAL AREAS AND IN PUBLIC HEALTH • PREVENTION OF "RED LINING" OF HEALTH ALLIANCES • RISK ADJUSTMENT OF POOR POPULATIONS • HEALTH ALLIANCE RESPONSIBILITY FOR BUILDING HEALTH NETWORKS WHERE NONE EXIST

ADDRESSING THE PROBLEMS: THE WORK TEAM PROPOSALS (CONT'D)

PROBLEM	SOLUTION
INADEQUATE LONG-TERM CARE	• EXPANDED OPPORTUNITIES FOR HOME CARE AS BEGINNING OF SOCIAL INSURANCE PLAN • RAISING MEDICAID SPEND DOWN LIMITS • INCENTIVES/REGULATION FOR PRIVATE INSURANCE MARKET

HOW THE NEW SYSTEM MAINTAINS WHAT PEOPLE LIKE IN THE CURRENT SYSTEM

MAINTAIN NEGOTIATED BENEFITS	• LARGE EMPLOYERS AND EMPLOYEES CAN MAINTAIN THEIR CURRENT PLANS AS LONG AS THEY MEET FEDERAL STANDARDS – EMPLOYERS CAN CONTINUE TO PAY MORE GENEROUS PREMIUM SHARES AND COST-SHARING THAN NATIONALLY GUARANTEED BENEFITS PACKAGE IN A TAX SUBSIDIZED MANNER
MAINTAIN HIGH QUALITY SYSTEM	• QUALITY OF SYSTEM WILL IMPROVE WITH BETTER PRACTICE GUIDELINE INFORMATION, QUALITY REPORT CARD, CONSUMER SURVEYING • QUALITY INFORMATION WILL BE MORE AVAILABLE TO CONSUMERS
MAINTAIN CHOICE OF DOCTOR	• BUDGETED FEE FOR SERVICE NETWORK ALLOWS ALL AMERICANS TO CHOOSE THEIR DOCTORS AS THEY CAN TODAY • AVAILABILITY OF MULTIPLE PLANS OF DIFFERENT TYPES ALLOWS CONSUMERS GREATER CHOICE OF TYPE OF CARE THAN MANY HAVE TODAY

Attachment 2

MEETINGS WITH CONGRESSIONAL REPUBLICANS

From the onset of the Administration's work on the health care reform proposal, the Health Care Task Force and its Work Groups have made a concerted effort to reach out to House and Senate Republicans for their guidance and support. We believe it is essential to have their involvement to make the package as strong as possible and to assure its prompt and necessary passage. We are therefore concerned that there is any perception that the White House, in any way, has not actively sought the advice and participation of Republicans from the beginning.

It is very important to note that the President has insisted on significant Republican involvement from the moment he established the Health Care Task Force. On January 26th, he requested that the House and Senate Democratic and Republican Leadership appoint representatives to the Task Force. Senator Dole chose himself and Representative Michel appointed Representative Dennis Hastert (R-IL) to serve on his behalf.

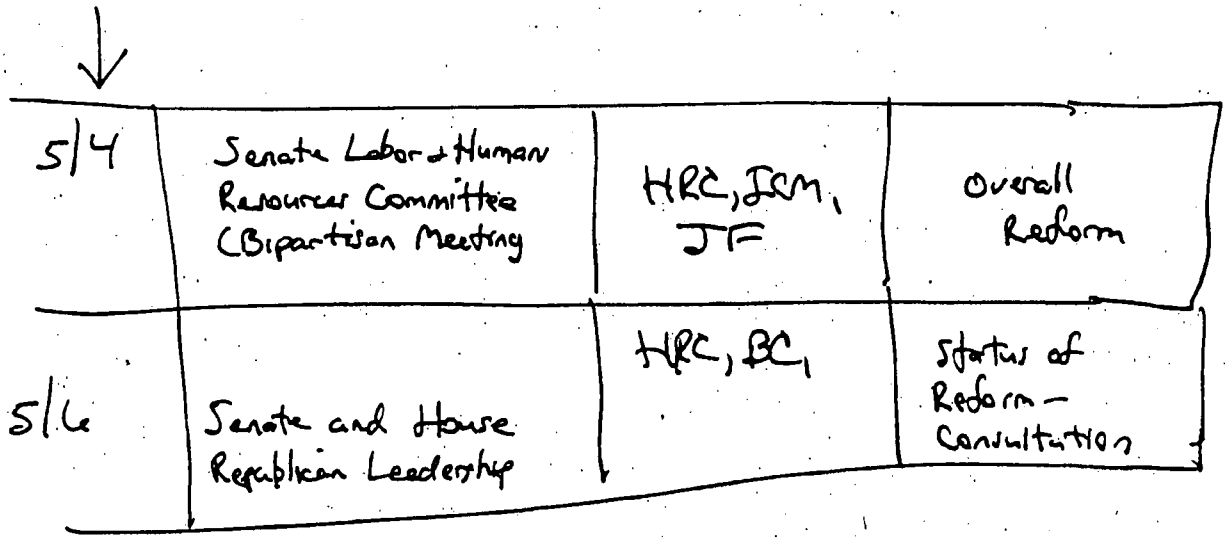
Since that time, Mrs. Clinton and/or Ira have attempted to hold meetings on a virtually weekly basis with House and Senate Republicans and/or their staffs. The House has chosen to send its Members to the meetings, while the Senate Health Care Task Force has chosen to send staff. The staff of the Senate Republican Health Task Force has suggested that more active Member-level discussions be delayed until there is a better sense of what our final proposal will be.

Since the President is now focusing and narrowing the options for his proposal, we have begun an active effort to hold bipartisan meetings with House and Senate Republicans. On April 20th, Mrs. Clinton participated in a bipartisan Finance Committee meeting. She will hold a similar bipartisan meeting with the Senate Labor and Human Resources Committee on May 4th. In addition, the President and the First Lady have already scheduled a meeting with the Republican Congressional Leadership on May 6th to commence serious Presidential-level discussions.

Attached is a list of the numerous meetings that Mrs. Clinton, Ira Magaziner, Judy Feder and their designees have held with Senate Republicans. I hope you will find this information to be helfpul.

DATE	MEMBER(S)	MET WITH	SUBJECT
2/4	DOLE/CHAFEE	HRC/ICM/JF	process, general discussion
2/23	DURENBERGER	HRC/ICM	
3/10	Senate Republican Members Bond Burns **Chafee** Cohen Craig Danforth **Dole** Durenberger Gregg Kassebaum Mack Murkowski Nichols Packwood Roth Simpson Stevens Thurmond (others were present as well)	HRC	general discussions about process and about directions for/components of reform
3/10	JEFFORDS	ICM	
3/11	KASSEBAUM (as part of Women Senators meeting)	HRC	Health Reform Issues of special interest to women
3/12	Senate Republican Staff	ICM	
3/23	Senate Republican Staff	Walter Zellman Rick Kronick Lois Quam	New System Development Governance
4/1	Senate Republican Staff Sheila Burke Christy Ferguson Ed Mihulski	ICM	short-term controls
4/19	Senate Republican staff	Gary Claxton	Insurance Reform
4/20	DURENBERGER	ICM	Overall Reform

4/20	Senate Finance Commitee: bi-partisan meeting Chafee Packwood Danforth Roth Grassley Hatch Wallop	HRC/ICM, JF	Overall reform, costs, financing
4/29	Senate Republican Staff	Lois Quam	Rural Health Care
4/30	Entire Senate (including Republicans)	HRC, ICM, JF	



Attachment 3

SENATORS' CURRENT STATUS 4/29/93

RELIABLE	LEAN YES	NEED WORK	LEAN NO	NO
Akaka	Biden	Baucus	Shelby	Bennett
Boxer	Bradley	Bingaman	Brown	Coats
Daschle	Breaux	Boren	Burns	Cochran
Feingold	Bryan	DeConcini	D'Amato	Coverdell
Feinstein	Bumpers	Exon	Dole	Craig
Harkin	Byrd	Heflin	Domenici	Dole
Inouye	Campbell	Johnston	Gorton	Faircloth
Kennedy	Conrad	Krueger	Grassley	Gramm
Leahy	Dodd	Nunn	Hatch	Gregg
Mikulski	Dorgan	Reid	Lugar	Helms
Mitchell	Ford	Bond	Pressler	Kempthorne
Moseley-Braun	Glenn	Chafee	Roth	Lott
Murray	Graham	Cohen	Specter	McCain
Pell	Hollings	Danforth		McConnell
Pryor	Kerrey	Durenberger		Murkowski
Riegle	Kerry	Hatfield		Nickles
Rockefeller	Kohl	Jefford		Simpson
Sarbanes	Lautenberg	Kassebaum		Smith
Sasser	Levin	Mack		Stevens
Simon	Lieberman	Packwood		Thurmond
Wellstone	Mathews			Wallop
Wofford	Metzenbaum			Warner
	Moynihan			
	Robb			
Democrats 22	Democrats 24	Democrats 10	Democrats 1	Democrats 0
Republicans 0	Republicans 0	Republicans 10	Republicans 12	Republicans 21
TOTAL 22	TOTAL 24	TOTAL 20	TOTAL 13	TOTAL 21

PROFILES - SENATE DEMOCRATS
April 29, 1993

SENATOR DANIEL AKAKA (D-HI) - State flexibility is of primary importance to Senator Akaka. He wants a waiver to allow Hawaii to continue its present employer-based system. He was a cosponsor of Senator Mitchell's "HealthAmerica" plan in the last Congress, but is open to virtually any approach that achieves cost containment and universal access, as long as it provides for significant state flexibility.

Recent Developments: Hawaii is moving to press the House and Senate Committees to obtain ERISA waiver as soon as possible even if that means before health care reform is passed. Senator Akaka can be expected to support this effort.

SENATOR MAX BAUCUS (D-MT) - Senator Baucus was a member of the Pepper Commission. Most notably, however, he voted against the final access recommendations — they won by just an 8-7 vote -- primarily because of his concern about the proposal's impact on small business. Baucus is concerned about any proposal that utilizes any employer requirement to help finance health care. As a result of this concern, and because the Canadian system is quite popular in Montana, he is a single payer advocate.

He is a member of a 5-Member working group (Daschle, Kerrey, Bingaman, and Wofford) that is looking at alternatives to employer-based models. This group wrote to the First Lady on February 3rd outlining principles which should be incorporated into a managed competition framework including universal participation (no opt-outs), state or regional administration, and phase-in of coverage for long-term care. More recently, on March 30, he sent a letter with eight Democratic Senators from rural states stating their position that the allocation of health budgets among states should not be based on historical costs but on the true cost of providing an appropriate level of care to a state's residents.

Senator Baucus believes health care reform must include real cost containment, sensitivity to legitimate small business concerns, and special consideration for rural concerns. We have been advised by staff that he is very committed to the concept of every citizen being in the HIPC or health alliance. In addition, because it is more broad-based than an employer mandate, he apparently would be supportive of a VAT tax for health care.

Recent Developments: At the April 20 meeting with Finance Committee members, Senator Baucus stressed the need for the plan to contain costs with some sort of global budget. He shared the view of other committee members that the Administration should take longer if necessary, but make sure health reform is done right. At Jamestown, he reiterated his view on the need for strong cost containment and a global budget. He also wanted to know the administrative savings which would reduce the need for taxes. Senator Baucus also stated that he thought the First Lady was the best salesperson for health care reform.

SENATOR JOE BIDEN (D-DE) - Senator Joseph Biden is the Chairman of the Judiciary Committee. This position will become increasingly important as the President sends to the Hill a choice for the vacant seat on the Supreme Court. Confirmation hearings might tie up Senator Biden's time this summer. For the health care debate, however, Biden has been relatively quiet. He has said in the past that he is still learning the issue. One key will be the DuPont Corp., which is pushing national health insurance. Biden has said that he does not favor single payer and is concerned that play-or-pay could lead to rationing. He is non-committal but skeptical on managed competition and is especially concerned about HMOs. His committee will be responsible for marking-up the portions of the reform package dealing with malpractice or tort reform. In addition, any modifications to or clarifications of the anti-trust laws come under his jurisdiction as well.

SENATOR JEFF BINGAMAN (D-NM) - Senator Bingaman joined the Labor and Human Resources Committee in May of 1990. While he does not have a long record on the issue of health care reform, he has been exhibiting increasing interest in the subject. He supports the managed competition model's focus on market adjustment of health care costs but has also supported an eventual cap on health care spending. He has cosponsored legislation with Senator Durenberger to implement the Jackson Hole group recommendations - a managed competition model which rejects global budgets. However, in hearings last December of the Labor Committee, Bingaman expressed strong support for the idea of a global budget to "limit the amount of revenue going into the system, limit the amount of premiums that people can pay into the HPICs." He is a strong advocate of rural health and prevention. He has expressed concern about the effects that employer-based health care reform could have on small businesses.

Recent Developments: Reportedly, Senator Bingaman was unhappy over our language change from "HIPC" to "Alliance." He feels "cooperatives" are rural friendly. At Jamestown, Bingaman raised concerns about small business. He felt that a payroll contribution of 7 to 8 % was too high. In his view, we should lead with cost containment and make sure small businesses are protected.

SENATOR DAVID BOREN (D-OK) - Although not generally thought of as a health care reform leader, Senator Boren is the lead sponsor of the Senate companion (S. 3299) to the House Conservative Democratic Forum's managed competition bill. In recent months, however, he has become more sensitive to the inability of the Conservative Democratic Forum's approach to adequately address the access or cost containment challenge. Like virtually every member of the Committee, he considers himself to be a strong supporter of rural health and small business issues. With Senator Bradley, though, Boren has been traditionally more focused on tax policy than health care.

There have been exceptions to the rule of Senator Boren's general non-interest/association with health care. In addition to the CDF bill, he is now supporting the concept of significant

state flexibility within the context of any health reform proposal (Oklahoma Governor Walters is pushing a major initiative now and wants some significant assistance/relief from the Federal Government). In addition, Boren sponsored legislation last year to provide for an extension of higher payments to rural hospitals that disproportionately serve Medicare patients. (This legislation passed the Congress, but was included in the tax bill which was vetoed by then-President Bush.)

Recent Developments: On April 28, his staff called saying Senator Boren was concerned that the premium payroll approach sounded too much like a pay or play plan. He hates this concept. Chris Jennings assured staff that nothing could be further from the truth, but he may need more convincing.

SENATOR BARBARA BOXER (D-CA) - As a new member of the Senate, Senator Boxer is very interested in working with the leadership. While in the House, she cosponsored the Russo single payer bill (predecessor to the current McDermott Bill) but was not an enthusiast. She is particularly interested in issues concerning women and children. Senator Boxer believes that health care reform should cover reproductive services, including abortion services.

Boxer outlined her basic approach to health care reform in a letter to the First Lady on February 5. In the letter, the Senator emphasized the following principles: care should be affordable and universal; benefits should not be based only on employment; and coverage should include professionals other than doctors. To achieve these goals, the Senator called for a minimum benefits package, increased preventative care, coverage of reproductive services, increased public health education, services for women in crisis, and services for children. Finally, the Senator called for "full representation" for women on any boards, advisory committees or any other bodies created by health reform legislation.

In meetings with the HCTF, she has also expressed concerns over how the Veterans Health System will be integrated into the plan.

Recent Developments: At the Jamestown retreat, she has strongly urged that abortion services be covered up front in the benefit package and protected from any hostile amendment on the Senate Floor. She also raised the possibility of sin taxes being earmarked for children.

SENATOR BILL BRADLEY (D-NJ) - Senator Bradley is known more for his work on tax policy than for his work on health care financing. He has indicated an interest in introducing health care reform legislation similar to the managed competition model that he believes the President has been advocating. The one exception to his general support of the Clinton health care approach may well be with regard to prescription drugs. As a Senator representing the state which is the capital of the pharmaceutical industry, Bradley is a fierce advocate for the

industry and their concerns. With Senator Hatch, he led the fight against Senator Pryor's effort to influence the industry to control price increases by linking their pricing behavior to eligibility for tax credits. (The Pryor proposal was endorsed by the President during the campaign.)

As a member of the Infant Mortality Commission, Senator Bradley is proud of his work to ensure that the Medicaid program was expanded to eventually cover pregnant women and children. He also is a strong advocate for preventative care services. He has sponsored several bills on tobacco, including revised warning labels and tobacco as a drug to be included in the Drug Free Schools program. Lastly, although he incurred the wrath of some aging groups with his opposition to prescription drug price constraints, he has been a long-time supporter of home and community-based long term care services, particularly with regard to respite care services.

Recent Developments: At this week's Finance Committee meeting, Senator Bradley asked for an estimate of how much the plan is going to cost and how much revenue is expected to be needed. He is very concerned about taxes and is a great advocate of going slow on this issue. "It is more important to get it right."

SENATOR JOHN BREAUX (D-LA) - Senator Breaux is the second most junior Member of the Finance Committee. He is one of those up and coming "New Democrats" for whom many see a bright future. His politics are moderate to conservative but he is known more as a pragmatist than a idealogue. In the area of health care, Breaux is yet another of the Committee members who care deeply about small businesses and rural health care.

Prior to this year, Senator Breaux was not overly active in health care issues. That changed when he introduced the Conservative Democratic Forum's managed competition bill with Senator Boren in 1992. He is very concerned, however, about the bill's limitations with regard to assuring adequate access to health care in rural areas. He is also concerned about whether this approach will actually achieve broad-based cost savings. Despite this, he remains uncomfortable with the alternatives and he will want to make sure that the Conservative Democratic Forum's model is used as much as possible during the upcoming debate. He opposes price caps and freezes to control costs.

Recent Developments: At the Finance Committee meeting on April 20, Senator Breaux stated that he was very encouraged about what he was hearing. He believes people want health care reform but it will be important to sell the benefits first (and sell people on what they are getting). He wants the plan to be bipartisan and thinks it should contain malpractice reform. This week he has made very positive public comments about the prospects for health care reform and praised the consultative process with both Democrats and Republicans. In addition, he invited Ira Magaziner to join him and the President at the Democratic Leadership Conference meeting in New Orleans. (It is now unclear whether he will attend.)

SENATOR RICHARD BRYAN (D-NV) - Senator Bryan is a former governor of Nevada who was to fill the seat of retiring Senator Paul Laxalt. Not very vocal on health issues, Bryan has significant small business and rural concerns. He probably will be hesitant to support a bill that at least some small businesses will not support. He has not taken a position on a particular plan, but he does not think single payer will work and is unsure about managed competition's applicability to rural areas. Senator Bryan has publicly supported Senator Pryor's prescription drug legislation and supports insurance reform. Raising taxes might frighten him, and he does not think we need immediate access. He is up for re-election in 1994.

SENATOR DALE BUMPERS (D-AR) - Senator Bumpers has waited to see what the White House will do and has resisted efforts to be pushed into Daschle's camp. As Chairman of the Small Business Committee, Bumpers has a particular sensitivity to the needs of small business. He could well be an important surrogate speaker in his position as Committee Chairman, especially if he not only supports the bill but is comfortable enough to positively talk it up. He is 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 ROBERT BYRD (D-WV) - Senator Byrd is one of the most senior members of the Senate and a former Majority (and Minority) Leader. As you know, Senator Byrd publicly announced his intention to oppose the use of reconciliation to pass the HCTF bill. Senator Byrd mostly has funding concerns, especially any specific directions for the Appropriations Committee on funding that might be included in a health care reform bill. He is also concerned about jurisdiction, particularly if health care financing might "take over" some discretionary programs. He generally puts his energies into "infrastructure." Byrd has specifically mentioned possible redundant financing received by community health centers for various health care services. He has no preference on the overall approach, and he will likely defer to Senator Rockefeller on this. Byrd has a "wait and see" approach with the Administration and will want to look at the whole package.

SENATOR BEN NIGHTHORSE CAMPBELL (D-CO) - Senator Campbell is the only member of the Senate who is of Native American descent. He is on record in support of managed competition, but has not taken a position on the Administration's deliberations. He is, however, comfortable with the process. Senator Campbell has a special concern with the Indian Health Service and will probably keep his eye out for any changes.

SENATOR KENT CONRAD (D-ND) - Senator Conrad is the newest member of the Senate Finance Committee. He is known as a "budget hawk." Strong cost controls will be critical for his support. He will look closely at the financing package and how the reform plan impacts the federal deficit. He opposes large new taxes to support reform.

Senator Conrad's foremost health concern is rural health care. He is concerned both with how rural health care will be addressed in the context of managed competition as well as current access and delivery issues. He is aware of two successful models from his state – one, a network of clinics, the other an HMO – which have been able to increase access to primary and preventive care. He signed the March 30 letter opposing the allocation of the global budget among states based on historic costs. He is also an advocate for the need to improve and increase funding for the Indian Health Service, where insufficient funding has led to rationing of services. He also feels the IHS has not been sufficiently responsive to Congress or tribal leadership.

Recently, Chris Jennings and Christine Heenan gave him a general health care background briefing. (He had missed one given by Ira and wanted a private meeting.) He was very appreciative and, by the conclusion of the discussion, appeared to feel much better about the direction in which the President and the First Lady are heading.

Recent Developments: At the Finance Committee Meeting this week Senator Conrad was very concerned about mandates. He fears that small businesses will be saddled with too large a burden. He advocated simple, understandable language and provisions that he could explain to his largely rural constituents.

SENATOR TOM DASCHLE (D-SD) – Senator Daschle is the Co-Chair of the Democratic Policy Committee (with Majority Leader Mitchell) and he is one of the more well-informed Democratic members on health care issues. Senator Daschle and his staff are participating in Senator Mitchell's DPC working group, but he has also been a leader of a separate working group (Kerrey, Bingaman, Wofford, and Baucus) that was developing alternative approaches to health care reform. This group has been relatively quiet lately, seeming to be comfortable working with and through the DPC health policy group.

Personally, Senator Daschle is much more comfortable with a single payer type approach to health care, primarily because he believes it is a much easier political sell to his small business folks and the rest of his constituents. He joined Senator Wofford in introducing legislation (S.2513) to achieve this end. Daschle is a team player, however. As part of the Senate leadership, he can be counted on to push his agenda as far as it can go, but he will also do everything he can to assure that we pass comprehensive reform and the President's plan.

In addition, Daschle is one of the signatories of a March 30 letter opposing the allocation of the global budget among states based on historic costs. He is very concerned that rural states would be discriminated against if such a formula were used.

Senator Daschle also worries that people do not understand the real costs of the current health system – how much they are paying in direct and indirect spending. He raised this point in an op ed piece which appeared in the Washington Post this past Monday (April 24). He

believes education regarding these costs is critical to insure that people don't feel the new system will cost them too much money. Daschle also supports restructuring graduate medical education to emphasize primary care.

Most recently, Senator Daschle requested that the First Lady join him in South Dakota at a health care event in June, July or August. In addition, he asked that we send someone to a health event in early May. The Daschle office seems pleased that we are sending Working Group Member, Lois Quan, to that event.

Recent Developments: At the meeting with the Finance Committee members last week, he again expressed his belief that we need to use new language in describing the plan, for example, using "system-wide" rather than "Federal program". He believes that changing the language will change people's perceptions.

SENATOR DENNIS DECONCINI (D-AZ) - Senator DeConcini, who is up for re-election in 1994 and recently separated from his wife, is opposed to new taxes paying for the health care package. While he is willing to work with the concept of managed competition, he wants to preserve some of the current system. He is particularly concerned about the effects on small business and incentives for doctors to treat Medicaid patients. While he has not raised it so far, he will presumably also be worried about undocumented workers and Native Americans.

Recent Developments: At the Jamestown Senate Retreat, Senator Deconcini stated that he opposes including abortion in the benefit package and that, if it is included, a way must be determined to separate out public financing.

SENATOR CHRISTOPHER DODD (D-CT) - Senator Dodd chairs the Labor and Human Resources Subcommittee on Children, Families, Alcohol and Drugs. He has been one of the chief architects of the Act for Better Child Care and the Family and Medical Leave Act. He has also championed full funding for Head Start and expansion of childhood immunization programs. On health care reform, Dodd is keeping an open mind and is inclined to wait for President Clinton to take the lead.

In the last Congress he cosponsored Senator Bentsen's health care reform legislation. However, despite his close friendship with Senator Kennedy, he did not cosponsor the "pay or play" plan put forth as a Democratic leadership proposal. This may be attributable to the fact that Connecticut is the insurance capital of America with many large and midsize insurers based there. Connecticut also is home to many drug manufacturers and he is concerned that they will be hit too hard under cost control proposals. He notes that this is the only industry in his state to have an increase in jobs over the last five years. He is supportive of the Pharmaceutical Manufacturers Association's proposal to negotiate price reductions with the Administration.

SENATOR BYRON DORGAN (D-ND)) - Senator Dorgan can be expected to back the package as long as careful attention is given to the problems of rural areas. In addition to rural health care, his major concern is cost containment. He can also be expected to watch out for coverage for Native Americans. Although his freshman status might not be influential in the Senate, Dorgan still has wide respect in the House where he was a member of the Ways and Means Committee.

SENATOR JAMES EXON (D-NE) - While Senator Exon has put forth a wait-and-see attitude, he advocated "doing it this year" to Ira on March 4. He consults closely with Frank Barrett, chair of the Governor of Nebraska's Blue Ribbon Panel on Health Care. His Nebraska colleague, Senator Kerrey, can influence him but Kerrey's support will not guarantee Exon's.

Recent Developments: At the Senate retreat, Senator Exon asked if the program could be funded by sin taxes alone and how VA and Indian Health facilities would be treated under reform. He also wondered whether supplementary insurance would be available. He praised the First Lady's explanation of how health care reform would work in the states, stressing that she had made his work easier.

SENATOR RUSSELL FEINGOLD (D-WI) - Freshman Senator Feingold has also adopted a wait-and-see attitude but is likely to support the President. In meetings with the HCTF he has discussed the need for long term health care, particularly home and community based care for the elderly and the disabled. Feingold is also concerned abut coverage for farmers. At the state level he was a sponsor of single payer legislation in Wisconsin.

SENATOR DIANNE FEINSTEIN (D-CA) -Just two years after an unsuccessful run for Governor, Feinstein was elected to serve out the final two years of the Senate seat vacated by Pete Wilson. Senator Feinstein focused her campaign on the economy and health care reform, but, in an effort to overcome a reputation of weakness on women's issues, she also raised issues like abortion rights, sexual harassment, equal pay, child care and breast cancer research.

Senator Feinstein has been very open to the proposals of the Health Care Task Force, but has raised concerns that not enough attention is being focused on women's health issues. She would like to ensure that reproductive rights are covered and that women are included in NIH and FDA research.

Senator Feinstein is also very interested in cost containment mechanisms. While she supports strong upfront cost containment, she questions whether the capping of costs will work to

control costs and has concerns regarding the impact of wage and price controls. As such, she also strongly supports medical malpractice reform. The daughter of a physician, Feinstein wants to ensure choice of doctors. She would also like to see the benefit package emphasize prevention and primary care. As a former mayor who lived through the crisis of a hospital strike, Senator Feinstein is concerned that spending limits would create a backlash from labor. Finally, she is very concerned that enough attention and financial resources go to the fight against AIDS.

SENATOR WENDELL FORD (D-KY) - Senator Ford, the Chairman of the Rules Committee and the Majority Whip, will want to support the President. During his reelection campaign this year he talked about wanting to work with a president who would sign health care legislation passed by the Congress, but he is also a fierce protector of the interests of his state. As he says, "if it is not good for Kentucky, I'm not for it." As a result Ford can be expected to fight a tobacco tax. He is also nervous about mandated benefits and wants freedom of choice for consumers. He also has a personal interest in health care since his brother-in-law is a pediatrician in Kentucky.

Senator Ford oppposes giving states too much flexibility, ostensibly because some may not be prepared for the responsibility. But more likely, it comes down to politics. Kentucky's Governor, Brereton Jones, has been working on his own state reform plan. Unlike other Congressional delegations which are promoting their state's reform efforts, Ford may be looking to undercut Jones as a political payback. In 1991, Jones, then the Lt. Governor, scared Ford out of the Democratic primary for Governor with his large war chest and by commenting that the Governorship of Kentucky was a full-time job, not an interim step to retirement. Democratic politics in Kentucky is a blood sport and the Governor's office is the most coveted prize. Senator Ford, a participant of longstanding, certainly has not forgotten.

Recent Developments: At the retreat in Jamestown Senator Ford noted that his state produces coal, liquor, and tobacco and that the Administration has been hitting all of these industries and will continue to do so. He expressed a willingness to take the hit on sin taxes, but needs a quid pro quo (something for his 95,000 farmers). Interestingly, he would like a meeting with the First Lady to negotiate.

SENATOR JOHN GLENN (D-OH) - Senator Glenn has held hearings on the German and French systems as models for health care reform. He supported pay or play but not the Leadership's HealthAmerica bill. His concerns include the impact of reform on small business, retiree health benefits, and potential changes to Medicare and Medicaid.

In a previous meeting with the DPC, Glenn questioned where the savings would come from in the new system. He thinks that doctors have been unfairly vilified in debates over health care costs. He says that their income accounts for less than one-fifth of health care spending. He is more intrigued by the large percentage of lifetime health care costs which occur during the last four months of life as an area for health savings.

As Chairman of the Government Affairs Committee, Glenn is likely to be interested in and actively involved with any proposal that would fold the Federal Employees Health Benefit Plan into the new system. Since advocates for federal employees are now asking that they be treated the same as other large employers, they are likely to express serious reservations about the currently envisioned program. It is therefore advisable to meet with Senator Glenn and other chairmen of jurisdiction before any decision is made public.

SENATOR BOB GRAHAM (D-FL) - Senator Graham wants to support the President and, not surprisingly, is most concerned about long term care being included in the final package. With Florida recently enacting health care legislation, he may be sensitive about state flexibility. He is supportive of employer mandates and wants to be a player on global budgets. However, he would be concerned if Florida were somehow adversely affected in comparison to other states. His staff is working on the White House Long Term Care Working Group. In previous meetings with the HCTF, he was worried about the role of the Public Health System.

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 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.

SENATOR ERNEST HOLLINGS (D-SC) - While Senator Hollings wants to support the President's plan, he is worried about employer mandates without cost controls and rural coverage. He is also concerned by the CBO testimony which stated when cost savings might be realized under a managed competition plan. He steered clear of the leadership bill, expressing interest instead for a Medicaid buy-in. He believes the only way to get enough money for health care reform is through a VAT. In meetings with Ira he has stated his hope that the money will be in hand when the bill is ready and his support for a single vote on the package.

SENATOR DANIEL INOUYE (D-HI) - According to Senator Rockefeller, Senator Inouye is expected to be supportive of the President's plan. Specifically, the Senator will want to continue the special exemption to retain Hawaii's current system. He is working with Senator Akaka to secure a waiver through the House and Senate committees. He was a cosponsor of HealthAmerica in the last Congress, and he is a current cosponsor of Senator Wellstone's single payer bill. Senator Inouye is also Co-Chair of the Senate Committee on Indian Affairs and may be watchful of changes to IHS.

SENATOR BENNETT JOHNSTON (D-LA) - Senator Johnston has been noncommittal on health reform but wants to be a constructive player. He may defer to his Louisianan colleague, Senator Breaux, who has shown increasing interest in health care reform. They share concerns on its impact on small business and rural areas. Johnston's major concern is preventive care and he will be willing to compromise on other issues if this is made a high priority in the package. While he is not opposed to managed competition he sees problems with regional pricing. In discussions with the HCTF in the past, he has asked whether everyone will be in the purchasing cooperative and whether doctors will be able to charge higher fees outside of the package. Johnston is also concerned with the financing of the health care package.

SENATOR EDWARD KENNEDY (D-MA) - Senator Kennedy, Chairman of the Labor and Human Resources Committee, is the Senator most closely associated with health care issues. He has been working on comprehensive health care reform issues for well over two decades.

Although previously a strong single payer advocate, in recent years, Kennedy has moved to employer-based approaches. He believes that using business to significantly underwrite the cost of health care reform will substantially reduce the need for federal tax increases, and therefore make the package more sellable to both the Congress and the American public.

He joined with Majority Leader Mitchell, Senator Rockefeller and Senator Riegle in introducing a play or pay employer-based health care model. Despite the backing of these Democratic leaders, it received surprisingly little rank-and-file support. Perhaps as a result of this, Senator Kennedy has come to believe that only a plan backed by the President can be enacted. For this reason, Kennedy will likely be open to any comprehensive reform approach that meets the criteria of universal coverage, cost containment, and quality assurance.

He is also concerned about coverage for long term care. He introduced a substantial and expensive ($45 billion a year when fully phased-in) long term care plan with Senator Mitchell. This also garnered little support. Alternatively, he worked with Senators Pryor, Hatch, Packwood and Bentsen to pass a long term care insurance standards bill. That attempt was blocked because it did not include the tax clarifications that the insurance industry sought.

In addition to all these reform efforts, Senator Kennedy has been extremely active in the public health service areas. His interests are broad ranging, including concerns about tobacco advertising, adequate funding of AIDS research and services, Head Start, extensive oversight of FDA, effective illicit drug strategy, and minority health.

Recent Developments: Most recently, Kennedy has been pressing for primary or sole jurisdiction over Health Care Reform. Howard, Steve and Chris met with Labor Committee Staff Director Nick Littlefield last week. At that meeting he was informed that we appreciated their suggestions but would defer to the Majority Leader on this highly controversial issue. The Committee has also agreed to hold hearings that are consistent with our message in early to mid-May. Specifically, they will focus on the cost of not doing health care reform and the cost effectiveness of mental health coverage in the benefit package (Mrs. Gore is scheduled to testify.). Lastly, Senator Kennedy will want to be significantly consulted in the upcoming weeks. He had requested, and we have scheduled, a bipartisan meeting for the First Lady with his committee for Tuesday, May 4.

SENATOR BOB KERREY (D-NE) - Senator Kerrey has displayed a keen interest in the area of health care reform since first coming to the Senate. In his first year, he sat in on deliberations of the Pepper Commission although he was not a member. He also made health reform one of the centerpieces of his presidential bid.

In the last Congress, he introduced a comprehensive health reform bill which is actually quite similar to the framework being developed by the Task Force. In the Kerrey bill, however, except all businesses would be required to join state-run purchasing groups rather than

privately-run groups. At his last meeting with the First Lady on March 18, he was very complimentary about Ira's presentation at the March 4 briefing for the Democratic Senators. In a note to Senator Rockefeller, Kerrey wrote that he "likes what he is hearing out of the White House."

He has made financing a primary focus and advocates creating a health care trust fund run on a pay as you go basis. Sources of financing for his bill include: a payroll tax on employers and employees; current federal health spending except for Veterans (for whom he believes a separate system must be maintained); new taxes on cigarettes and liquor; taxes on Social Security benefits; and increasing income subject to tax as well as increasing the top rate. At his last meeting with the First Lady he expressed interest in providing language to help sell the plan.

Recent Developments: - Senator Kerrey has recently circulated a proposal in the Senate to create a trust fund which would account for all health expenditures including the Federal Employee Health Benefit Package and NIH. He suggests proposing appropriate taxes designated for health care reform before the introduction of a comprehensive plan.

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. 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.

Recent Developments: In Jamestown, Senator Kerry expressed concern about the adverse impact of managed competition on teaching hospitals.

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 BOB KRUEGER – Senator Krueger is fighting for his political life trying to hold onto Secretary Bentsen's former Senate seat to which he was appointed. He recognizes the importance of the issue, but is preoccupied with his election May 1.

Recent Developments: **Mrs. Gore is going to Texas for a campaign event on April 30.**

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.

Recent Developments: Senator Lautenberg used the opportunity of the retreat in Jamestown to ask that the Administration tone down its anti-drug company rhetoric.

SENATOR PATRICK LEAHY (D-VT) – Senator Leahy is Chairman of Agriculture Committee. As such, he notes that one-quarter of all Americans live in rural areas and provisions need to be made to ensure that they have access to needed health care services. He was one of the few cosponsors of the Leadership's HealthAmerica bill and is likely to support the Administration's plan. Leahy will want to see provisions in the legislation for state flexibility so that they can move ahead now. In the last Congress he sponsored the Leahy-Payor bill, legislation endorsed by the NGA, to provide waivers to states willing to undertake comprehensive health care reform.

Recent Developments: Senator Leahy was recently upset about a rumor that the Administration was going to name the provision on state flexibility in the reform legislation for his Republican Senate colleague from Vermont, Jim Jeffords. In conversations with the Senator's office, Chris Jennings reassured his staff that there was no truth to this rumor and that we appreciated and understood the Senator's longstanding interest in and leadership on this issue. He is very interested in holding an event in Vermont, perhaps highlighting the flexibility issue, and would like to work with us on it. He reiterated his strong support for state flexibility in Jamestown. Lastly, in june, there will a Democratic Governors Association meeting which Leahy will likely attend. He and Governor Dean may ask the First Lady to attend also.

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.

Recent Developments: 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 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.

Recent Developments: 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 HARLAN MATHEWS (D-TN) - Senator Mathews was appointed to fill the term of Vice President Gore. He is not interested in returning to the Senate, and will serve until Tennesseans elect a new Senator to fill the Vice President's term. Mathews is generally supportive of the managed competition concept. While he has not backed the Administration's reform efforts publicly, Mathews is supportive with some modifications. He would like to see more action on the state level, especially experimental programs. Vice President Gore will be influential in getting his vote.

Recent Development: At Jamestown, Senator Mathews was worried that sin taxes and payroll taxes would kill the tobacco industry.

SENATOR HOWARD METZENBAUM (D-OH) - Senator Metzenbaum strongly believes in the need for health care reform and has cosponsored Senator Wellstone's single payer bill. He is concerned about the managed competition approach because he fears that it is too easy on the special interests, especially the insurance companies. He believes to truly reform the health care system, the Administration must be willing to take on and defeat the special interests and take the program to the American people. He views health care as a social good that should be provided to all people and believes the system should be based on providing services to people at the lowest possible cost. Metzenbaum strongly favors rate setting and a national budget.

Senator Metzenbaum also favors eliminating fraud and abuse in the system. He has major criticisms of HCFA for not ferreting out fraud and abuse. Other concerns are anti-trust (he chairs the Judiciary subcommittee), malpractice reform and long term care.

Recent Developments: Senator Metzenbaum's staff has indicated a great concern about the apparent Administration infatuation with caps for medical malpractice. He is strongly opposed to caps and might even oppose the legislation if they are included at the time of introduction. He has also expressed concern that quality standards may be vulnerable to the Administration's decision to cut back on what we view as unnecessary regulation and he would like us to proceed cautiously in this area.

SENATOR BARBARA MIKULSKI (D-MD) - Senator Mikulski is known as an outspoken liberal. She supports the Clinton health care reform plan in principle but is concerned about the influence of the Jackson Hole group who she calls "a bunch of geriatric Republicans that represent everything that's wrong with health care." As a former social worker she would like to see greater use of non-physician health professionals to deliver care.

She is a champion of women's health and an strong pro-choice advocate. The plan's position on women's reproductive health services will be critical. She is concerned about improving research into women's health and eliminating the gender bias of NIH research. She is also a strong advocate for seniors. She introduced and passed the Spousal Impoverishment provisions in 1988 so that seniors did not have to spend down all of their assets to qualify for benefits. As the new Chair of the Labor Subcommittee on Aging, she is promoting the expansion of home and community-based long term care services.

On the Appropriations Committee, she heads the HUD/VA and Independent Agencies Subcommittee. VA, the largest managed health care system, is a big concern for Mikulski. She cites the Canadian experience where under the massive change to a single payer system, vets lost out. She feels strongly that vets need a seat at the reform table.

Recent Developments: At the Senate retreat, Senator Mikulski stressed talking the people's language on health care reform and asked for a mechanism to assure this happens. She also said that the Democratic women Senators would lead the floor fight for reproductive health benefits in the package.

SENATOR GEORGE MITCHELL (D-ME) - Few Majority Leaders in the Senate's history have been as interested in and as committed to passing comprehensive health care reforms. Senator Mitchell believes that the single payer approach is not politically feasible. However, at this point, his primary concern and commitment is to push through anything, which can be defined as truly comprehensive, that will pass the Congress. He has repeatedly indicated his intention to work closely with the President to help assure that a bill can make it to the White House before the end of the 103rd Congress.

Senator Mitchell was a strong advocate of incorporating the health care legislation into the budget reconciliation bill. Having failed in that, he and his lead staff are now relatively pessimistic about attracting enough Republicans to support a health care reform initiative without having to make major, and perhaps unacceptable, concessions. Two weeks ago (Sunday, April 18), he indicated his opposition to price controls, his uneasiness with but possible openness to a VAT tax for health, and his desire to wean out all the fraud, abuse and waste BEFORE contemplating large tax hikes.

Recent Developments: He was so enthused about the First Lady's presentation in Jamestown and the meeting at the White House on Tuesday, April 27, that he invited the First Lady to Friday's bipartisan meeting which is open to all Senators. Mitchell seems rededicated to passing health care reform this year.

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.

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

SENATOR DANIEL PATRICK MOYNIHAN (D-NY) - As you know, the new Finance Committee Chairman has yet to take a position on national health care reform. His interests lie primarily in the areas of Social Security and welfare reform. He is not a detail person when it comes to the health care debate. Although a number of people have discussed health care with him, it is notable that the one who seemed to catch his fancy the most was Alain Enthoven.

The only health care-specific issues that the Senator is particularly known for are: his advocacy and support of New York hospitals; his concern about the mentally ill and the homeless; his support for chemical and substance abuse in a benefit package; and, most recently, his support of innovation at the state level. On the latter point, he introduced a liberalized Medicaid managed care measure that the NGA strongly supported. (This legislation was opposed by the Children's Defense Fund because they felt that savings through this cost containment approach would be at the expense of the Medicaid population.)

Recently, the Chairman and his staff have been rather pessimistic about the chances for health care reform this year. The complexity, controversy, and potential expense of it frighten them. The Chairman, in comments that have been somewhat retracted by staff, has indicated his concern about any large new taxes to fund the program and any use of price controls to contain costs. Although he has stated his willingness to raise whatever tax is necessary for the elimination and integration of Medicaid into the new system, as well as for a one-card-for-all system, his nervous statements should not be totally written off.

Recent Developments: At the First Lady's meeting this week with the Senate Finance Committee, Moynihan was among those who cautioned against rushing health care reform. He expressed the view that the Administration should take more time if needed to do it right. In Jamestown, he advocated combining the Health Card with the Social Security Card, a view he reiterated in a letter to the President. We trust the First Lady's dinner with Senator Moynihan and his wife on Tuesday went very well.

SENATOR PATTY MURRAY (D-WA) - Senator Murray was a state senator in Washington before being elected to the U.S. Senate this past fall. She serves on the Budget, Appropriations and Banking Committees. As a former state legislator, Senator Murray will be highly sensitive to ensuring state flexibility, especially in light of the Washington State legislative health care initiative. Although she has not taken a public position on a particular health plan, she has indicated she will likely support the President as long as the plan extends coverage and allows for state innovation.

Senator Murray is an advocate for women's health, including extreme concern about breast cancer and screenings. She also strongly backs long term care as part of reform. She is very concerned about eliminating pre-existing condition exclusions. Senator Murray will soon introduce legislation (similar to Congressman Reynolds' bill) designed to raise the excise tax on firearms and earmark the revenue for health care.

Recent Developments: At Jamestown, Senator Murray advocated including reproductive rights in the final package.

SENATOR SAM NUNN (D-GA) - Senator Nunn is known more for his Armed Services Committee work than for health care. Treatment of CHAMPUS and other Department of Defense health programs under the reform plan will be a major concern. Senator Nunn hasn't taken a position on a type of plan. However, he is extremely opposed to employer mandates. In fact, the Senator states that President Clinton has assured him the plan will not include employer mandates. He is strongly in favor of tight entitlement caps. He is unsure how a global budget will work on private spending. As a Senator from Georgia, he also has strong rural health concerns.

Recent Developments: Senator Nunn co-chairs a commission which will soon be making recommendations on health care reform. Reports are that they are leaning towards a managed competition type approach with an individual mandate. This sounds like the Republican plan on which we believe Senator Chafee is working. It is unlikely that they will support even temporary price controls. It is unclear whether they will endorse the concept of universality.

SENATOR CLAIBORNE PELL (D-RI) - Senator Pell is the most senior member of the Senate Labor and Human Resources Committee and a long-time advocate of "cradle to grave" health coverage. On health care reform, he is not an ideologue and is not committed to any method of reform. In 1972, he joined in introducing legislation which would have mandated employer-based health care reform. As a member who has been working on the issue for sometime, he would enjoy seeing actual progress.

Because of his well-to-do elderly constituency, Senator Pell voted to repeal the Catastrophic Health Care Reform legislation. This is significant because it may indicate that a prescription drug benefit that most well-to-do elderly already have will not be adequately responsive to

an influential constituency of his. This helps explain why Senator Pell's top health care concerns include coverage for long term care - Rhode Island has one of the highest percentages of elderly of any state in the country - preventive services and expanding the use of non-physician health provider. He is opposed to smoking and has sponsored legislation to provide grants to states for health promotion programs. He is also interested in studying other countries' health care systems and taking lessons from their experiences.

SENATOR DAVID PRYOR (D-AR) - Senator Pryor is part of the Senate leadership (Secretary of the Democratic Conference). As the Chairman of the Senate Special Committee on Aging, he is well liked and respected by the powerful aging advocacy community. In addition, he is one of the few Democrats that the small business community genuinely trusts. Further, as a former Governor his advocacy of state-based approaches to comprehensive reform has gained him a great deal of good will with the Governors. Although an unassuming member and one who does not get overly involved in detailed policy discussions, he has emerged as one of the most influential and best liked members of the Senate. All of these roles ensure that he will be a key player on the health care front.

In terms of health care priorities, drug cost containment is the first, second, and third highest priority for Senator Pryor. The concept of linking drug cost containment to tax credits - embodied in Pryor's Prescription Drug Cost Containment Act - S. 2000) was endorsed by President Clinton.

In addition to his drug cost containment interests, Pryor also has a notable legislative achievement record in rural health (relief for hospitals and incentives for primary care doctors in medically underserved areas), state-based reform (his NGA and Clinton candidate-endorsed Leahy/Pryor bill), and long term care (his proposal for Federal standards for private long term care insurance policies).

Recent Developments: At the Finance Committee meeting April 20, Senator Pryor supported the view that more time should be taken to assure that you do it right. He backs the use of a dedicated tax for health care, perhaps a VAT. He also supports the inclusion of a significant long term care benefit. He believes that as long as we will be spending billions of dollars, we should make certain it attracts popular support for the plan. Of the Finance Committee Republicans, he would rank Danforth, Packwood, Chafee, Durenberger in order of likelihood to support the plan.

SENATOR HARRY REID (D-NV) - Senator Reid is in his second term in the United States Senate. Traditionally not outspoken on health issues, he spends most of his time with his Appropriations and Environment and Public Works Committees. He has yet to take a position on a particular reform model. He is waiting to see what the HCTF and the President have developed. The Senator stresses rural health issues, and wants lead screening emphasized. He's concerned about mandated benefit packages because he believes they have

not worked at the state level. He is also worried about the impact of reform on physicians' earnings.

SENATOR DONALD RIEGLE (D-MI) - Senator Riegle considers himself to be a major player in the health care debate. He is Chairman of the Finance Subcommittee on Medicaid and was a lead sponsor of the Mitchell, Rockefeller, Kennedy "play or pay" health care reform proposal. He has always felt he did not get adequate credit for his work on the bill. Although he sponsored this bill, he appears to be extremely willing to sign on to virtually any approach that achieves universal coverage and cost containment.

Senator Riegle is very interested in many health issues, including: child immunization programs; rural health care; Medicare prescription drug coverage; retiree health liability concerns; long term care; and a host of others. He strongly believes that cost containment savings should be used to help reform the health care system -- NOT for deficit reduction.

Recent Developments: At the April 20 meeting with the Finance Committee he stated that he wanted to look at longer budget periods than five years (he can't understand why we are always locked into a five year budget plan). He believes it is important to look at national spending, not just Federal spending, because most of the savings will come from the private sector. He also felt that we needed to look at and change the language used to explain the plan.

SENATOR CHUCK ROBB (D-VA) - Senator Robb believes that cost-containment is the key and that it should be stringent. He has not taken a position on any particular health plan, but likes what he hears so far from the Task Force. He is likely to be supportive. He was an active member of the Mitchell working group and was comfortable with its overall approach. Also, he was a member of the National Leadership Commission on Health Care which predated the National Leadership Coalition. Senator Robb is up for re-election in 1994.

Recent Developments: At the Senate retreat, the Senator was concerned about taxes needed to finance reform, especially sin taxes.

SENATOR JAY ROCKEFELLER (D-WV) - Senator Rockefeller views himself as being - and is - Bill Clinton's number one health care advocate. He was a tireless campaigner and defender of the Clinton health care plan and was a National Co-Chair of the Clinton campaign. Senator Rockefeller is the current Chairman of the Finance Subcommittee on Medicare and Long Term Care and is the new chair of the Senate Veterans Committee. He also has chaired the Pepper Commission and the National Commission on Children. In addition, Senator Rockefeller is the founder and Chairman of the Alliance for Health Reform, a nonpartisan organization dedicated to advancing health care reform through education of public opinion leaders.

Senator Rockefeller's health care priority is very simple: He desperately wants to see a comprehensive reform package enacted during the Clinton Presidency. Although he thinks the long-term outcome of such an achievement is politically attractive, he is primarily pushing this because he is sincerely committed to the need for reform. In this vein, he is not overly committed to any particular approach although he has advocated an employer-based approach. He, therefore, can be counted on to support virtually anything the President ends up proposing, as long as it achieves universal access and cost containment.

Recent Developments: At his one-on-one meeting with the First Lady he was upset with Vice President Gore, Secretary Bentsen, and Director Panetta who he thinks are less than supportive of reform. He thinks Senator Moynihan can be brought on board. He urged using the phone more to increase contact with members. He felt that the Finance Committee Republicans that we should go after are Senators Chafee, Danforth and Durenberger (he seemed less confident about Senator Packwood). He also expressed his willingness to play the heavy on taxes with the public, press, and members.

SENATOR PAUL SARBANES (D-MD) - Senator Sarbanes is in his third term and is up for re-election in 1994. He originally supported Kennedy's Single Payer plan in 1972, but realizes it won't work today. Currently, he is not committed to a specific approach and is open to different options. He has a wait and see attitude on the HCTF deliberations, but he wants to help Clinton and will support Mitchell, Rockefeller and the Democratic Leadership.

Recent Developments: In Jamestown, Senator Sarbanes expressed interest in knowing who would be hurt by health care reform -- what industries, what individuals. Because of his position as Vice-Chair of the Joint Economic Committee, these questions were not surprising.

SENATOR JIM SASSER (D-TN) - Senator Sasser is one of the more popular, populist, and liberal southern Democrats in the Senate. He and his staff have been very supportive of attempting to develop consensus on health care reform for years. But, like others, he never could find the dollars or support for a significant package. As a result, he has focused on more incremental and populist reforms. He is most proud of his three year battle to pass legislation to reform and clean up the fraud and abuse in the durable medical equipment industry. He introduced and passed legislation within last year's tax bill (later vetoed by then-President Bush) to place restrictions on how the industry could bill Medicare for this equipment. In addition, he was one of Senator Pryor's strongest allies in the Senate when he tried to take on the pharmaceutical industry pricing behaviors and their abuse of an offshore tax credit.

SENATOR RICHARD SHELBY (D-AL) - As you know, the media has made much of the rift between Senator Shelby and the White House. He is a conservative Democrat whose vote is considered tough to get. While he has said that he is waiting to see what the President

puts forth he has expressed some clear views regarding health care reform. He opposes "single payer" or any other "top-down" system. He believes there needs to be local control and decision making. He is anti-employer mandates, anti-rate setting, and has significant small business concerns. Some self-insured people have used managed care very well in Alabama.

Recent Developments: Last month, Senator Shelby sent a "Dear Colleague" asking for cosponsors for his resolution expressing "sense of the Congress that any National Health Care reform legislation must ensure that every person covered under the plan has access to coverage for medically and psychologically necessary treatments for mental disorders. Such access should be equitable to coverage provided to treatments for physical illnesses."

SENATOR PAUL SIMON (D-IL) - Senator Simon is very interested in health care reform, and leans toward a single payer approach but also cosponsored the Leadership's HealthAmerica bill. He is close to organized labor and sponsored amendments to strengthen the cost containment provisions of HealthAmerica proposed by the AFL-CIO. He has also been one of the Senate's strongest advocates for long term care and has cosponsored many bills in this area. He is very interested in children's and minority issues. He has a long standing interest in education, particularly higher education. He is a strong supporter of increasing enrollment of minorities in health professional schools.

Recent Developments: Senator Simon recently met with Robyn Stone and reiterated his avid support of a significant long term care plan. He cites his Senate campaign in which he advocated comprehensive long term care legislation which outlined specific tax mechanisms. This plan received a great deal of support in the state, so much so that his opponent, then-Secretary Lynn Martin, pulled ads attacking the tax because they were so negatively received by the electorate.

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).

Recent Developments: Senator Wellstone indicated concern regarding talking points distributed by the Task Force to the members of Congress, particularly how single payer was characterized. At the retreat, he stated that he doesn't want anyone to be able to opt out of the Purchasing Cooperative because he fears that healthy people will opt out. He asked for a meeting with Ira. Ira will conduct a telephone meeting on Friday and then determine if a

one-on-one discussion is necessary.

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. He is part of the group of five (with Senators Daschle, Baucus, Kerrey and Bingaman) on a single financing state-implemented health system with a national health board approving state plans. Employers and individuals would pay a progressive premium to a fund which would be returned to the states on a percentage basis. The original Daschle-Wofford 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 previously 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.

Recent Developments: 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.

PROFILES - SENATE REPUBLICANS
April 29, 1993

SENATOR ROBERT F. BENNETT (R-UT) - Senator Robert F. Bennett of Utah at 59 is the oldest member of the Senate's freshman class, and enters having made a fortune in private industry. He currently serves on the Committee on Energy and Natural Resources, the Committee on Banking, Housing, and Urban Affairs, the Committee on Small Business, and the Joint Economic Committee.

Senator Bennett has co-sponsored no legislation with significant health policy implications.

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: the Banking Committee, the Appropriations Committee, the Budget Committee, and the Committee on Small Business.

In the 102d Congress, Senator Bond co-sponsored a Republican health care initiative that sought a $150 billion solution to the lack of universal coverage, and when asked whether he was submitting the bill over Bush Administration objections said, "[Sununu] is not driving our bus." [NYT, 11/8/91]

Senator Bond recently introduced an administrative reform bill addressing the high cost of health care administration, and which also excludes the increased costs or cancellation for sickness, saying "the loss of insurance coverage when a child becomes very ill is not risk-sharing, it's risk-avoidance. The broad health care reform is vital. It is a very, very complex problem, but there are certain, I think, readily agreed upon steps that we ought to take. I don't expect that we're going to get health care reform solved within the first 100 days. I think we can take some very significant steps, and I hope we will." [FNS, 1/4/93]

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 HANK BROWN (R-CO) - Senator Brown was elected in 1990 to the United States Senate. He previously was a member of the House, where he served as a member of the Ways and Means committee. Generally moderate with some liberal votes, Brown has worked to protect Colorado's environment and is pro-choice. He railed against the 1987-88 Democratic Welfare Reform, and persuaded the House to endorse instead the workfare

measure that became law. He also was on the ethics committee that investigated former Speaker Wright. In the House he sponsored a tough campaign finance reform.

SENATOR CONRAD BURNS (R-MT) - Senator Burns is Montana's junior Senator. The best description of him appeared in the 1992 edition of The Almanac of American Politics: "Burns...is almost a stereotypical Easterners' version of a western politician. He picks his teeth with a pocketknife, chews tobacco, and tells deadpan jokes." Burns came to the Senate in 1988, defeating incumbent John Melcher.

Senator Burns is a quiet Senator with 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 and is interested in meeting with you next week. He is particularly supportive of the bill's rural health provisions.

SENATOR JOHN CHAFEE (R-RI) - Senator Chafee is the Ranking Republican on the Finance Committees Medicaid Subcommittee and Chair of the Republican Task Force on Health Care. He likes to point out that the bill they introduced in the last Congress had the most cosponsors of any major comprehensive health reform bill. He was not pleased with last year's health care debate with the Democrats. He believes that, if not for Presidential and partisan politics, there was enough consensus between his and many Democrats' bills to move forward on many high priority health reform proposals such as: self-employed tax deduction increase to 100 percent, insurance market reform, expansion of community health centers and other health care delivery systems, and state experimentation.

On the Finance Committee, Senator Chafee is primarily known for his long-standing interest in providing alternative care settings -- through the Medicaid program -- to persons who are disabled. He and his staff are literally heroes with many in this field, particularly those who advocate non-institutional care approaches. He is also well known for his strong advocacy of, and relationship with, community health care centers. In addition, he -- like a number of the Finance Committee membership -- are growing weary of funding programs for the elderly when there are so many needs in the non-elderly population.

As you know, we have been trying for weeks to invite Senator Chafee to talk with Ira. We sense that he and his staff want desperately to come in, but are afraid to alienate Dole. On April 16th, though, Task Force staff received a call indicating that he might come for a meeting. A meeting has now been scheduled for next week.

Recent Developments: Chafee's office has tentatively scheduled a 5/6 appointment with Ira. At that time we think it would be appropriate and advisable for you to drop by or have him drop by immediately following that discussion.

SENATOR DAN COATS (R-IN) - Senator Dan Coats is more conservative across a wide spectrum of social issues than almost any other member of the committee. He is strongly opposed to abortion. He is the author of several amendments to require parental consent in the case of abortion for minors (one of which passed the Senate).

On the other hand, Coats, the ranking member on the Children and Families subcommittee, has been a fairly strong advocate for child welfare and has broken with the Republican party to these ends. He is viewed to have something of a pragmatic streak on certain issues and is not afraid to differ with his party on these issues. He supported the Family and Medical Leave Act and extending tax credits for families with children. He has been supportive of Senator Dodd in his efforts and is more of an enabling ranking member rather than an obstructing one.

SENATOR THAD COCHRAN (R-MS) - Senator Thad Cochran, Republican from Mississippi was elected to the Senate in 1978, and has had relatively easy bids for re-election since then. He is up for re-election in 1996. He won his bid for the chairmanship of the Senate Republican Conference in 1990, when he challenged Senator Chafee for the position and won 22 to 21. His conservative stand on almost all issues and chairmanship of the conference reflects his Republican leadership role in the Senate. He sits on the Committee on Governmental Affairs; the Committee on Appropriations; the Committee on Agriculture, Nutrition, and Forestry; the Select Committee on Indian Affairs; and the Committee on Rules and Administration.

Earlier this year, Senator Cochran said, "[I]t needs to be understood that the Republican contribution on the health care issue discussion indicated a willingness to work together, and an acknowledgement that this is one of the most serious problems we face in the country today, and that it ought to be given a very high priority. So I don't think we ought to misunderstand what the commitment is. And the commitment is to try to work in a bipartisan way to solve these problems that exist in the health care area, acknowledging that they're complicated, multifaceted." [Reuter Transcript Report, 1/26/93]

Recent Development: Recently he sided with Senator Reid in an attempt to eliminate the Senate Select Committee on Aging. The attempt failed and strained the previously cordial relationship between Cochran and Senator Pryor.

SENATOR WILLIAM "BILL" COHEN (R-ME) - Senator Bill Cohen from Maine was elected to the Senate in 1978, winning against Senator Hathaway by a large margin. His platform then focused on military strength, and that won him a seat on the Senate Armed Services Committee. He is currently on the Senate Committee on the Judiciary; the Senate Committee on Governmental Affairs; the Senate Committee on Armed Services; the Senate Special Committee on Aging; and the Joint Committee on the Organization of Congress. He is considered to be an unpredictable and at times a liberal Republican, whose home state

priorities often override partisan votes.

Last session, Senator Cohen worked on a health care package which included a refundable tax credit for health insurance premiums and a nationwide low-cost basic benefits package.

On January 27, 1993, Senator Cohen submitted S. 223, the Access to Affordable Health Care Act, a bill to contain health care costs and increase access to affordable health care, and for other purposes. The bill uses a managed competition model for reform. It also has provisions to improve health delivery in rural and underserved areas, reform malpractice, controls drug costs and emphasizes preventive health. Senator Cohen also co-sponsored Senator Mitchell's Freedom of Choice Act.

Senator Cohen is one of the ten Republican Senators it looks like we have a possibility of getting at the present time. He also requested that you attend an event in Maine at the same time you were in Nebraska with Senator Kerrey. You may wish to extend your regrets. Doing something in Maine which does not heavily involve Senator Mitchell is not recommended. An underlying rivalry exists between Sens. Mitchell and Cohen.

SENATOR PAUL COVERDELL (R-GA) - Senator Coverdell won a run-off election against Sen. Wyche Fowler in December. He headed the Peace Corps under President Bush and formerly chaired the Georgia Republican Party. His strength is in the rural areas, and conservative areas of Southern Georgia. Known as a conservative, it is unlikely that Senator Coverdell will vote against the Republican leadership this early in his first term.

No significant health views are known at this time.

SENATOR LARRY CRAIG (R-ID) - After ten years in the House, Senator Larry Craig won his bid for Senate in 1990, filling the open Senate seat vacated by the retiring Senator McLure in 1990. As Idaho's junior senator, he believes strongly in economic development and is opposed to environmental restrictions and government regulations. He currently sits on the Senate Committee on Energy and Natural Resources; the Senate Committee on Agriculture, Nutrition, and Forestry; the Senate Special Committee on Aging; and the Joint Committee on Aging.

Senator Craig co-sponsored Senator McCain's Medicare Provider Payment Equity Act of 1993, which is designed to amend the Social Security Act to repeal the reduced Medicare payment provision for new providers. He also co-sponsored Senator Dole's recent bill on Medicare (S. 176).

SENATOR ALFONSE D'AMATO (R-NY) - Senator D'Amato is New York's junior Senator and a product of the political machine of Nassau County's Republican Party. In the Senate, he has maintained a machine politician's attention to local concerns and constituent services. D'Amato has a good working relationship with his colleague form New York, Senator Moynihan. He plays the role of "Senator Pothole" to Moynihan's more statesman-like role.

Having won the seat initially in a three-way race, he often been high on Democratic target lists. Yet he has proved to be an elusive target. Last fall, he was reelected easily to a third term over New York Attorney General Bob Abrams, after beating ethics charges back in 1991. For all these reasons, Senator D'Amato has earned a reputation as a scrapper with an instinct for survival -- a reputation which he cultivates at every opportunity.

D'Amato is expected to be cool to the Administration's health care proposal. It is theorized that he will be mainly interested in the impact on his large urban medical centers and hospitals, the financial burden on his middle class suburban constituents and increases in benefits for the elderly.

SENATOR JOHN DANFORTH (R-MO) - Senator Danforth, senior senator from Missouri recently announced his plans not to run for reelection in 1994. Within the Republican Party, Senator Danforth is to cost containment what Bob Packwood is to mandates. He is the Republican Senator most likely to advocate that strong federal/state caps on spending must be imposed to effectively contain health care costs. He states his strong views on this issue repeatedly, despite admonitions from his staff and other Republicans that such statements are not consistent with the Republican Party line.

He is one of two cosponsors of Sen. Kassebaum's BasicCare Health Access and Cost Control Act. At the press conference announcing the introduction of the bill, Sen. Danforth again focused on cost control noting, "the easiest thing to do is to introduce a bill that provides for universal coverage. The hardest thing to do is to provide for cost control." [FNS, 2/4/93]

Although willing to support the need for strong government cost regulation, he also believes that to do so would require explicit rationing (He is a big fan of the Oregon waiver). What is more, unlike most Democrats, he desires to publicly proclaim that rationing is necessary and something we must own up to.

The Senator has been vocal lately opposing the possibility of new taxes for health care reform, saying, according to The New York Times, "it would be 'extremely difficult' for Congress to pass new taxes for health care on top of those sought for deficit reduction." He is also quoted as saying, "How many big tax bills is Congress going to pass in a year?... How much is the country going to swallow in a year?" [NYT, 2/21/93]

Recent Developments: At 4/20 Meeting with HRC and the Finance Committee, Sen. Danforth stated that Democrats and Republicans are not too far apart on this issue. He also stated that universal coverage is important, but that it should be phased in over a longer period of time. He believes the tax cap should apply to both employees and employers and seemed happy with the First Lady's response to that point. Most recently, in conversations with the Senator's senior staff, it appears likely that he and Sen. Kassebaum would like a meeting with Ira and or the First Lady in the very near future. The meeting is being arranged now. The First Lady will likely invite him to a meeting soon. (rev. 4/28)

SENATOR ROBERT DOLE (R-KS) - The Minority Leader is, without question, the most influential Senator among Republicans. As an ally, he can be absolutely invaluable. As an enemy, he can be vicious and effective. Currently, it appears he is trying to decide whether health care reform should be a partisan or a bipartisan issue. Dole and his staff will probably opt to appear to be willing to work with the Democrats, but will eventually choose to turn on the new Administration on the reform issue.

Senator Dole has a strong interest in rural health and is currently Co-Chair of the Senate Rural Health Caucus. Legislatively, he has supported initiatives to protect the viability of small rural hospitals as well as to expand civil rights protections and services for the handicapped.

On Meet the Press (Sunday, April 18), he indicated his opposition to price controls, his concern about large taxes without delivering on cost containment first, and his hesitancy about a VAT tax unless it is used to replace or offset other taxes.

Senator Dole continues to profess a desire to work with Democrats on health reform. Earlier this year, Senator Dole said: "[i]f we're going to have health care reform, it's got to be bipartisan. Nobody has the votes for health care reform. We don't have the votes. We're the minority. Democrats don't have the votes because they have different ideas. But it seems to me this issue is so important that it shouldn't be politicized. Now, politics--there's a place for it, and there's a place not for it, and I think health care reform is one of those areas." [Reuter Transcript Report, 2/16/93]

Although it may well be an impossible task, we must continue to work to at least try to get him on board with us. If we do not succeed, we might have some success in attracting other moderate Republicans for making the effort to obtain Dole's support.

Recent Developments: Along these lines, we recommend that you invite Senator Dole in for a meeting to discuss where he sees health care legislation when you see him at tomorrow morning's meeting. Regardless of your success in bringing Dole on board, the very fact that you attempted to do so has a very real potential to attract other moderate Republicans who will be given cover to come in for individual meetings.

SENATOR PETE DOMENICI (R-NM) - Senator Pete Domenici of New Mexico was elected to the Senate in 1972, and served as chairman of the Senate Budget Committee from 1981 to 1987. Since then, he has served as ranking Republican on the Committee. Although the growing budget deficit concerns him and he has tried to reduce the deficit, he is reluctant to diverge publicly from the Republican party lines. A partisan Republican, his willingness to back higher taxes to cut the deficit has hurt him with fiscal conservatives.

Commenting on the President's economic team in December, the Senator said, "you can't get the federal budget under control without dramatically reducing the increasing costs of health care." [Reuter Transcript Report, 12/10/92] Senator Domenici released a report last October with Senator Nunn that suggested that to control escalating federal health care costs, Congress should enact legislation by December 1993 to cap spending on entitlement programs such as Medicare and Medicaid.

Senator Domenici is also extremely concerned about the issue of mental health and believes that significant mental health provisions should be included in the benefit package. He has introduced legislation to ensure that any reform plan contain mental health provisions.

Recent Developments: On April 29, Senator Domenici attended a briefing on the Hill on Mental Health Issues by Mrs. Gore. In his remarks, he appeared to indicate that he would support a health care reform bill but it was not clear whether this could be interpreted as support for the Administration's plan.

SENATOR DAVE DURENBERGER (R-MN) - Senator Durenberger, the ranking Republican on the Finance Committee on Medicare, is one of the Committee's most well versed Members on health care reform. He also is one of the few Members who has served concurrently on the Labor and Human Resources Committee (the other major health care committee) and the Finance Committee. He is a moderate who is viewed by the Republican leadership as somewhat of a loose cannon. Because of this and his long-standing interest in health care reform, Durenberger, too, is a candidate to be a possible and important ally.

In the last Congress, he joined Senator Bentsen as the lead Republican on the Texas Senator's incremental (insurance market reform, etc.) health reform initiative. He has been a key health care player for years, however. He now is the ranking Republican on Jay Rockefeller's Subcommittee on Medicare and Long Term Care, and he has served as either a Chairman or ranking Member of this Committee for years. In addition, he served (as a Vice-Chair) on the Pepper Commission. While he joined all the other Republicans in voting against the access recommendations of this Commission, (he did vote for the long-term care recommendations) it is important to note that it was unclear that Durenberger was going to vote against the Pepper Commission recommendations until very late in the process. An important offshoot of this experience, though, was the close working relationship he forged with Rockefeller.

Most recently, Durenberger has focused on state-based health reform initiatives. He does not believe that a consensus yet exists for national reform and his own state is tired of waiting. Minnesota has a long tradition of moving ahead on health care reforms. It is one of the 5 or 6 states that has gone ahead and passed legislation to implement its own reform proposal.

Minnesota is also THE nation's capital of managed care/HMO delivery systems. As a result, Minnesota has historically been more efficient than other states in terms of the delivery of health care. Senator Durenberger will be very concerned about the allocation of the global budget, particularly that it does not reward the inefficient at the expense of the efficient.

Senator Durenberger called Chris Jennings on April 17th to talk about health policy substance and strategy. He indicated his nervousness with any price controls. He said he thought we could get some savings for speeding up implementation of the new physician payment system. He also urged us to find a way to fold in Medicare into whatever we do. Lastly, he again asked for a meeting with Ira and it was arranged for April 21st.

Recent Developments: At a meeting with Ira Magaziner on April 21, Durenberger stressed that he, unlike some Republicans, thinks we can and should do health care this year, although he expressed reluctance about universal coverage (and its associated costs) in the near term. Feedback from Gov. Carlson's office was very positive, but Durenberger is still telling the press that he's against new taxes and isn't sure the bill can be moved this year.

SENATOR LAUCH FAIRCLOTH (R-NC) - Senator Lauch (pronounced "Lock") Faircloth is a Republican Senator from North Carolina. He is a freshman member and won by defeating incumbent Democrat Terry Sanford. Senator Faircloth is a conservative from a tobacco-growing state. As such, he will have particular concerns about increases in taxes on cigarettes and tobacco products. With the strong influence of fellow North Carolinian and arch conservative Jesse Helms, it is not expected that he will be with us. It is even more unlikely that he will support the Administration and go against the Republican Leadership.

SENATOR SLADE GORTON (R-WA) - Senator Slade Gorton won and then lost his first Senate seat, and then after saying he was through with politics, ran again in 1988 and won. He has taken the lead on CAFE standards and backed import fees on cars that did not comply with the Clean Air Act. He is up for re-election in 1994, and currently sits on the Senate Committee on Commerce, Science, and Transportation; the Senate Committee on Appropriations; the Senate Select Committee on Indian Affairs; the Senate Committee on the Budget; and the Senate Select Committee on Intelligence.

Senator Gorton is a co-sponsor of Senator Dole's Medicare reform bill. Senator Gorton wrote to you on March 23rd, where he outlined that his most pressing concern is state flexibility. He was encouraged by the Oregon waiver and hope that the Administration plan will be as equally flexible. "Like you I believe we absolutely must have national health care

reform as soon as possible," but did not elaborate.

SENATOR PHIL GRAMM (R-TX) - Phil Gramm is a highly partisan, extremely outspoken Senator who has strong convictions in his beliefs. He is a former professor at Texas A&M and previously served in the House of Representatives. He is a supply-sider committed to carrying on the Reagan legacy. Formerly a Democrat, Gramm was a lead sponsor of two major pieces of budget legislation: the Gramm-Latta budget resolution of 1981, Reagan's budget "cutting" package, and the Gramm-Rudman-Hollings budget deficit reduction act of 1985.

Gramm is not expected to be helpful to the Administration. In fact, he is in a heated debate over how the Republicans should proceed with health care. Gramm has joined with Senator McCain and other conservative Republicans promoting the use of Medical IRA's as their health reform vehicle. The other side is favored by Chafee and Packwood, who believe that some sort of government program must be initiated. Caught in the middle of this struggle is Senator Dole, who is trying to keep both sides together as he did on the stimulus plan. Gramm is considered a leading candidate to succeed Dole as Minority Leader. He is also rumored to be considering a run for the presidency in 1996.

SENATOR CHARLES GRASSLEY (R-IA) - Senator Grassley is one of those Senators who can give the impression (since he is not a detail-oriented person) that he is less than sharp and not a significant player. This is not the case. Although he may not be extremely quick, he has a very sensitive and accurate gut for politics and policy and, with a very capable staff, he has managed to become quite an effective member of the Finance Committee.

Grassley's primary health care interest has been rural health care. He, again like most other Finance Committee members, has been greatly concerned about perceived inequities in reimbursement to rural providers.

<u>Recent Development:</u> Senator Grassley, as he stated in the recent Finance Committee meeting, appreciated your coming to Iowa. He was, according to Senator Pryor, impressed with your presentation before the Finance Committee and, again only according to Sen. Pryor, said "Hillary is too smart for Republicans." He has also indicated his support for malpractice reform.

SENATOR JUDD GREGG (R-NH) - Senator Judd Gregg, the newest member of the Senate Labor and Human Resources, was elected governor of New Hampshire in 1988 and re-elected in 1990. He is the son of Hugh Gregg, a former Republican governor of New Hampshire. During his two terms in office, he showed a strong interest in and commitment to environmental protection and economic development. He took a conservative position on spending and taxes.

Senator Gregg was a member of the House of Representatives from 1980 until he assumed the governorship of New Hampshire. He served on the Ways and Means Health Subcommittee and voted along conservative lines. He was involved in the movement to repeal Medicare Catastrophic. New Hampshire recently took flack in an article in the Washington Post where the state shifted Medicaid funds to balance their state budgets. Senator Gregg was Governor and said to approve of the plan.

SENATOR ORRIN HATCH (R-UT) - Senator Hatch is relatively new to the Committee having joined during the last Congress. He is one of the brightest Senators, but has yet to really get a comfortable grasp of the Finance Committee. Although well known for his very conservative philosophy, in recent years he has appeared to become more open to more traditionally moderate approaches. For example, although close to the drug industry, he has been willing to push them to be more responsive on pricing issues.

Up until 1993, he served as either the Chairman or the Ranking Republican of the much more conflict-oriented Labor and Human Resources Committee. In this capacity, he became extremely well informed about PHS, NIH, and FDA issues. On health reform issues, he can be expected to be very supportive of market-oriented reforms to the health care system. In that vein, he will be extremely uncomfortable with employer mandates and discussions of global budgeting and enforcement. He has introduced legislation to reform the medical malpractice system and sees it as an important means for reducing health care costs.

Recent Developments: Senator Hatch has just hired a health care staff person straight from Reagan/Bush DHHS. It is unclear what impact this will have on his willingness to be constructive on health care debates--more likely to be negative. Sen. Kennedy, who is close to Hatch, believes we should not write him off. He views Hatch as a potential coalition builder between moderate Republicans and Democrats.

SENATOR MARK HATFIELD (R-OR) - Senator Mark Hatfield, the senior Senator from Oregon, is Ranking Minority Member on the Senate Appropriations Committee. Senator Hatfield is on our "Big 8" list, meaning he is one of our eight republican targets.

Senator Hatfield is known to be deeply religious, and has never voted for a defense authorization bill. He was opposed to the Gulf war resolution, as well as the alternative economic sanctions. Hatfield is pro-life and we will lose him if he perceives the plan to be subsidizing abortion. However, he did back amendments to allow family planning at Title X clinics. Senator Hatfield was a Republican co-sponsor on the Family and Medical Leave Act.

Senator Hatfield would like to see the Administration stress medical research. He believes it is cost effective and is a worth while investment. He also has a concern about rural health care delivery and medical education reform. State flexibility will be a crucial to his vote.

Along these lines, Hatfield is pleased with the decision to approve Oregon waiver.

SENATOR JESSE HELMS (R-NC) - Senator Helms is arguably the most conservative of all the current Senators. In fact, he has probably caught the ire of every liberal group in the country at one point or another. He won re-election in 1990 in a racially charged election against Harvey Gant. Helms is the ranking member of the Senate Foreign Relations committee. He works hard to protect the tobacco farmers in North Carolina. It is probably safe to put Senator Helms in the "no" category.

SENATOR JIM JEFFORDS (R-VT) - Senator James Jeffords is a progressive Republican who has shown a fair amount of interest in health-related matters. He has sponsored his own bill (The Medicare Health Act), a single-payer approach with 70% federal financing. He believes his is a unique approach and really hopes that the Administration considers his proposal seriously.

According to his staff, the main agenda item for Senator Jeffords this year will be the ERISA preemption. This is an especially important issue for Vermont, which currently has a waiver application in order to pursue comprehensive reform in the state. As a result, he would also like to see state flexibility built into a comprehensive reform initiative.

Senator Jeffords is an advocate of improving access to health in rural areas. As part of health reform, Jeffords believes there needs to be an emphasis on primary care and efforts that encourage providers to enter primary care. He also favors loan deferment programs and expansion of the National Health Service Corps (NHSC) which aim to address the provider shortage issue in rural communities. Jeffords has raised questions regarding how managed competition will effect the need for primary practitioners.

Jeffords has also taken an active stance on lifting the ban on fetal tissue research, increasing AIDS education, and eliminating the special market exclusivity for producers of orphan drugs (drugs for rare diseases.)

Recent Developments: Jeffords has been taking a lot of credit lately for the fact that the President advises will be providing lots of state flexibility. This public credit-taking has alienated Sen. Leahy in particular because Senator Leahy believes he is the leader in this area.

SENATOR NANCY KASSEBAUM (R-KS) - Senator Kassebaum is the new ranking-minority member of the Labor and Human Resources Committee. As such, she'll be working closely with Chairman Kennedy on many provisions the committee has jurisdiction over.

Kassebaum has taken a strong interest in health care reform and has introduced her own reform bill, the BasiCare Health Access and Cost Control Act (S. 325). This legislation

provides tough cost controls, focussing on controlling what insurance companies can charge for premiums. She would finance this bill through raiding the Social Security Trust Fund. When the First Lady met with the Senate Women's Caucus, Kassebaum pushed for a national commission on abortion, like the base closure commission, so that the members would have one up or down vote on the issue.

She is very concerned about over-regulation by HHS and the federal government generally. Along with Senator Metzenbaum, Kassebaum authored legislation on orphan drugs; their bill would have eliminated the current regime in which drugs for rare diseases enjoy special market exclusivity for the pharmaceutical manufacturer.

While considered a moderate, Sen. Kassebaum will toe the party line if she perceives an issue is being politicized. If she senses this is happening with health reform, we will have little chance of winning her support.

Recent Developments: Her elderly mother lives at home, so Kassebaum as a particular interest in long term care. We believe she is one of our top Republican chances. She wishes to come meet with you and Ira along with Sens. Danforth, Burns and Reps. Glickman and McCurdy sometime next week.

SENATOR DIRK KEMPTHORNE (R-ID) - Senator Kempthorne is a freshman member from the State of Idaho. He won the election and replaced retiring Sen. Steve Symms. Idaho is a very conservative state and one of the few states that have two Republican Senators. As a freshman, it is not expected that he will break out of the pack and go against the Republican leadership. Idaho is a frontier states like Wyoming, Montana and the Dakota's. The leadership of other frontier Senators like Simpson, Wallop, Craig, and Burns will probably influence Kempthorne.

SENATOR TRENT LOTT (R-MS) - Senator Lott is from the State of Mississippi. He was elected to the Senate in 1988, after serving in the House of Representatives. Senator Lott rose to the rank of Minority Whip in the House before moving on to the Senate. He has fit into the Republican leadership in the Senate. While in the House, he spearheaded a combative and outspoken role for the minority, rather than the conciliatory, work within the system long favored by House Minority Leader Michel. Senator Lott is an obvious threat to Dole, and may be one of the reasons why Dole has been so combative of late. As a result of the defeat of the President's Economic Stimulus package, Dole has solidified his leadership position and has kept Lott at bay--for now.

Lott is a partisan, but is not afraid to go against the grain. He voted against the 1990 budget deal, probably in part because of his dislike for John Sununu. Lott has not made his health views known publicly known, however, they are expected to be conservative.

SENATOR RICHARD LUGAR (R-IN) - Senator Richard Lugar is most known for his work on foreign affairs. He is the former chair of the Foreign Relations Committee, and is widely recognized for his moderate foreign relations views, even though he was one of the most ardent defender of the Nicaraguan Contras. Lugar is a conservative, having a National Journal rating of 86% conservative on economic issues, 62% conservative on social issues and 68% on foreign issues. As ranking member on the Agriculture committee, he helped scale back the 1990 farm bill, some of which to the angst of Dole. Lugar has tried for years to become a more active part of the leadership.

His health views are not widely known. It is expected that they will be conservative, watchful of rural health care delivery, and will probably follow Dole's lead. Even though Indiana is an industrial state, he doesn't pay much heed to organized labor.

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. In the House, he was a member of the Gingrich crowd, taking full advantage of C-SPAN and railing against the Democrats in Congress. A Reagan backer, Mack went to the Senate by touting his conservativeness: supply-sider, anti-choice (which he switched), support for the Contras, and Gramm-Rudman. Mack won a narrow victory over now-Florida Lt. Governor Buddy MacKay in 1988. Mack is up for re-election in 1994.

Mack has lost some of his ardent conservatism that won him the Senate Seat in 1988. He has a good working relationship with Graham. He is a strong supporter of Israel. He was opposed to Medicare Catastrophic in 1988, when everybody else loved it, and cashed in the political benefits when sentiments turned.

He remains fairly quiet on health issues. Health reform may pose a difficult challenge in his reelection 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 undoubtedly scream bloody murder if there is 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--they are also very conservative and vote that way.

SENATOR JOHN MCCAIN (R-AZ) - Senator John McCain of Arizona is conservative with a career-military background. As a former prisoner of war himself, he has focused on the POW/MIA issue in his work on the Armed Services Committee.

In the area of health care, he sponsored the Children's Health Care Improvement Act of 1993 (S. 28), which seeks to improve the health of the Nation's children. He has also sponsored

the Medicare Provider Payment Equity Act of 1993 (S. 31), which would repeal the reduced Medicare payment provision for new providers. The Senator also co-sponsored Senator Dole's Medicare reform bill.

Senator McCain is siding with Senator Gramm in the health care rift in the Republican party. As you know, there is a growing ideological debate among the Senate Republicans on how to proceed on health care. On the one side is the Gramm-McCain group which espouses the use of Medical IRAs as a way to make health care available to consumers. On the other side of the debate is the Chafee side, which favors a more government-sponsored approach to curing what ills our health care system. Senator McCain is sympathetic to the pharmaceutical industry.

SENATOR MITCH MCCONNELL (R-KY) - Kentucky's junior Senator, Mitch McConnell, first came to the Senate on Reagan's coat-tails in 1984. He held his seat in a narrow victory in 1990 in a widely Democratic state, by defeating a liberal physician running for state-wide office for the fist time. Senator McConnell serves on the Appropriations Committee, the Agriculture Committee, the Rules Committee, and the Select Committee on Ethics. He champions tobacco interests, and opposed the 1990 Budget Agreement partially because of it's cigarette tax proposal.

Senator McConnell is a co-sponsor of Senator Dole's Medicare reform bill. McConnell was recently named head of the Better America Foundation, which was developed to form Republican positions on issues like health care reform.

SENATOR FRANK MURKOWSKI (R-AK) - Alaska Senator Frank Murkowski is generally a free-market oriented conservative, supporting, for example, opening the Alaska Natural Wildlife Reserve to oil exploration, and other forms of Alaskan development. Senator Murkowski serves on the Foreign Relations Committee, the Veterans' Affairs Committee (which he chaired in 1985 and 1986), and two committees crucial to Alaska: Energy and Natural Resources, and Indian Affairs. Senator Murkowski won re-election last fall by a 14 point margin.

In the 102d Congress, Senator Murkowski co-sponsored Senator Hatch's Health Care Access and Affordability Act.

SENATOR DON NICKLES (R-OK) - Senator Don Nickles of Oklahoma recently won his third term to the Senate, and continues to advocate the conservative views that brought him to Washington with Reagan in 1980. He has been very active in setting the overall tone of Republican policy as Chair of the Senate Republican Policy Committee. On the Energy Committee, Senator Nickles has actively sought increased energy exploration in places like ANWR. In addition to his seat on Indian Affairs, Nickles also serves on two key money

committees: Budget and Appropriations.

Senator Nickles co-sponsored Senator Dole's Medicare reform bill. When asked for a point of agreement between Republicans and Democrats, Senator Nickles said, "Streamlining and coordinating administrative costs in health care." [Gannett, 12/18/92] During his campaign this fall, Senator Nickles emphasized medical malpractice reform and vouchers for people unable to afford health insurance.

SENATOR BOB PACKWOOD (R-OR) - Senator Packwood is an advocate of an employer-based universal coverage plan. He is the only Republican on the Finance Committee that has publicly supported an employer mandate. As a result, he finds himself in somewhat of an uncomfortable position with many in the Senate Republican leadership, who vehemently oppose an employer mandate.

During his campaign for reelection last fall, Packwood singled out health care as an issue on which he was closer to then-Governor Clinton than his opponent, Representative Les AuCoin. He also attacked AuCoin's single-payer approach last year as a multi-billion dollar tax increase that would result in a government run system. The primary criticism leveled against Packwood's plan was that it didn't go far enough to control costs. Some aging advocacy groups also criticized it for its lack of comprehensive long-term care coverage. In Oregon, at least, Packwood won the debate.

Beyond the above-mentioned work, Senator Packwood has had a notable health care career. He has sponsored quite a bit of legislation dealing with rural health and long-term care. Specifically, he introduced a relatively extensive public/private long-term care bill in the 101st Congress. However, because it costed-out as a rather expensive initiative and because the aging advocates were not enthralled with it, he decided to stick to Federal standards and tax clarifications for private long-term care insurance policies. In addition, working with Pryor, he introduced legislation that would provide tax credits for primary care personnel to serve medically undeserved rural areas.

Recent Developments: At the Finance Committee meeting April 20, Packwood asked about the structure and role of a tax cap and was interested in how much subsidies would be required.

SENATOR LARRY PRESSLER (R-SD) - Senator Larry Pressler is a moderate to conservative Democrat from the State of South Dakota. Known mostly for wanting Congressional reform, he has fought against pay raises and other issues that are popular back home. Senator Pressler has a tendency to vote the ways the current political winds are blowing. Early in his career, he was known as a liberal Republican, then a conservative and is now known as a moderate Republican. Senator Pressler was narrowly re-elected to the Senate in 1990, and is expected to face a strong challenge from the very popular

Congressman-at-large, Tim Johnson, next time around. While many negative articles written about Pressler, much can happen in the four years.

His health views are not widely known. And it also unclear whether he will fall to either the Chafee or Gramm side of the current Republican health care debate.

SENATOR WILLIAM (BILL) ROTH (R-DE) - Until the last couple of Congresses, Senator Roth was not known for his involvement in health care. As Ranking Member of the Government Affairs Committee, he has had extensive involvement and interest in the Committee's Permanent Subcommittee on Investigation's inquiry into the multi-billion dollar issue of health care fraud and abuse.

More recently, Roth has actively advocated that the Federal Employee Health Benefit Program, which the Government Affairs Committee oversees, be extended to the working uninsured and small businesses. (This is similar to, and builds on, a proposal that has been championed by the Heritage Foundation.) Under this proposal, the self-employed and working uninsured would have access to the FEHB plans that were utilizing managed competition as a cost containment/quality assurance mechanism. In so doing, these individuals would have access to the same rates that the insurers charge the federal government and their employees for the benefits.

SENATOR ALAN SIMPSON (R-WY) - Wyoming's junior Senator, Alan Simpson, handily won re-election in 1990, and currently serves in the Republican leadership as Minority Whip. Simpson serves on the Judiciary Committee, the Environment and Public Works Committee, the Veterans' Affairs Committee, and the Special Committee on Aging. He has taken partisan positions on issues like the Clean Air Act and other environmental issues, but breaks with many Republicans in his pro-choice stance.

Senator Simpson rates the following as his top priorities: state flexibility, rural and frontier delivery problems, managed competition's applicability to rural areas and incentives for medical personnel to serve in underserved areas.

<u>Recent Development:</u> Senator Simpson is currently siding with the Chafee side of the Senate Republican health care debate. Also in a letter to the First Lady in early March, he was very complimentary about her meeting with the Republican Senators and her mastery of health care reform.

SENATOR BOB SMITH (R-NH) - Senator Smith is the Senior Senator from the state of New Hampshire. A former real estate agent, he first lost his bid for Congress in 1980, lost in the primary for Governor 1982 and finally won a House seat in 1984. Smith took over for retiring Senator Gordon Humphrey in 1990. Humphrey retired after serving two terms in the

Senate, probably the only Republican pushing for term limits to actually hold true to that pledge.

He is known as a conservative who will toe the party line. He is deeply concerned about acid rain, and has worked hard on that issue. However, acid rain is just about the only issues where Senator Smith has strayed from conservatism. His health views are not widely known, but they are expected to be conservative. Committee, and the Select Committee on Intelligence.

SENATOR ARLEN SPECTER (R-PA) - Pennsylvania's Senator Arlen Specter defeated Lynn Yeakel last fall, despite the initial momentum generated by his opponent over the Senator's questioning of Anita Hill. He has long staked out claim to traditionally Democratic issues, like support for labor and women's rights. He currently serves on the Judiciary Committee, the Energy and Natural Resources Committee, the Appropriations Committee, the Veterans' Affairs Committee, and the Special Committee on Aging.

During last fall's campaign, Senator Specter proposed a health care reform package focused on preventative care, while increasing federal funding for health care. He also touted his co-sponsorship of the "Health Care Access and Affordability Act of 1992," a consumer choice based health care reform proposal.

SENATOR TED STEVENS (R-AK) - The senior Senator from Anchorage, Ted Stevens, is very popular in Alaska. With Alaska's unusual relationship with the federal government, Senator Stevens has taken an active role in matters related to federal employment, serving on the Governmental Affairs subcommittee handling the civil service. An active legislator, Senator Stevens serves on six other committees: Commerce, Appropriations, Rules, Ethics, Intelligence, and the Joint Committee on the Organization of Congress.

Interestingly, Senator Stevens co-sponsored Senator Wellstone's Antiprogestin Testing Act of 1993 (S. 222), which requires the Commissioner of Food and Drugs to collect information regarding the drug RU-486 and review the information to determine whether to approve RU-486 for marketing as a new drug. He also co-sponsored Senator Lautenberg's Preventing Our Kids From Inhaling Deadly Smoke (PRO-KIDS) Act of 1993 (S. 261).

Recent Development: Senator Stevens appears to be siding with the Gramm-McCain faction's health reform approach based on "Medical IRAs" and consumer choice.

SENATOR STROM THURMOND (R-SC) - Senator Thurmond has not played a strong role in health-related matters. The one area of health where Thurmond has shown a strong interest is in research. He backed the NIH reauthorization and supports fetal tissue research.

He is also concerned about AIDS funding, which he thinks should be increased; he feels there is an improper perception about funding imbalances between AIDS and other disease research activities. Thurmond has a daughter who is diabetic and testifies before the Appropriations Committee on behalf of diabetes funding yearly. He also supports more funding for cancer research.

Senator Thurmond also has a longstanding interest in alcohol education issues. He was the primary sponsor of the legislation which requires a Surgeon General's warning label on alcohol beverage containers. He currently is advocating legislation requiring similar warnings for alcohol advertising.

Thurmond has real concerns about the budget deficit and will interested in the impact of reform on the deficit.

SENATOR MALCOLM WALLOP (R-WY) - Senator Wallop was just renamed to the Finance Committee this term. In his previous tenure (1979-1988) he demonstrated an interest in rural health concerns but focused primarily on tax matters. He is known for his very strong conservative views. In the last Congress, he cosponsored the Republican reform bill and Senator Hatch's bill to improve the medical liability system. He is very strong on state flexibility, federal costs, frontier/rural issues, and adamantly opposed to employer mandates. He has serious doubts about Managed Competition's applicability to serve rural areas. Senator Wallop wants us to be extremely cautious, because we can hurt far more than we can help. If there is one Member of the Committee we can almost certainly write off as a possible supporter, it is Senator Wallop.

Recent Development: As you know, Senator Wallop was in attendance when you spoke to the members of the Senate Finance committee recently but did not say anything.

SENATOR JOHN W. WARNER (R-VA) - Senator John Warner of Virginia won reelection in 1990 with no significant opposition, but has recently lost his position as Ranking Minority Member of the Armed Services Committee to Sen. Thurmond. He has generally taken conservative positions, but is pro-choice and favors repeal of the Hatch Act. In addition to Armed Services, Senator Warner serves on the Environment and Public Works Committee, the Rules

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Meeting with Senate Democrats at Democratic Policy Committee Annual Democratic Conference (partial) (8 pages)	4/22/93	P5, b(6)
002. profiles	Profiles of Democratic Senators (6 pages)	nd	P5
003. memo	Chris Jennings to Hillary Clinton Re: Meeting with Chairman John Dingell (2 pages)	4/25/93	P5
004. memo	Chris Jennings to Hillary Clinton Re: Congressional Leadership Meeting (1 page)	4/26/93	P5
005. memo w/attach	Chris Jennings to Hillary Clinton Re: House Leadership and Chairman Meeting (6 pages)	4/27/93	P5
006. memo	Karen Politz to Chris Jennings Re: House Leadership Meeting Agenda (4 pages)	4/1/93	P5
007. memo	Chris Jennings to Howard Paster, Steve and Lorraine Re: Ways and Means Subcommittee on Health/ Interaction Meetings (2 pages)	4/4/93	P5
008. memo w/attach	Chris Jennings to Steve R. Re: Republican Members and Staff Meetings/Contacts (4 pages)	4/9/93	P5

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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 advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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THE WHITE HOUSE

WASHINGTON

April 22, 1993

MEETING WITH SENATE DEMOCRATS AT
DEMOCRATIC POLICY COMMITTEE
ANNUAL DEMOCRATIC CONFERENCE

DATE:	SATURDAY, APRIL 24, 1993
LOCATION:	JAMESTOWN, VA
TIME:	8:00 pm Dinner
From:	Steve Ricchetti

I. PURPOSE

To join Democratic members of the Senate at a dinner during the Democratic Policy Committee's annual conference.

II. BACKGROUND

This is the fourth annual Democratic Policy Committee Senate Conference, which is chaired by Senator Mitchell and co-chaired by Senator Daschle. The two day conference is an informal series of panels which examine issues relevant to the legislative agenda. Forty-six of the fifty-seven members of the Caucus will be attending, a record level of attendance.

See attached for background on Senators attending the Conference.

III. PARTICIPANTS

The First Lady
The Vice President

See attached list of Senators.

IV. PRESS PLAN

Closed.

V. SEQUENCE OF EVENTS

You will be participating in the dinner on Saturday evening at 8:00 p.m. One half hour into the dinner, Senator Mitchell will introduce Vice President Gore. The Vice President will make brief remarks. Senator Mitchell will then introduce you, and you will make brief remarks (five minutes). An informal session of Q & A with Senators will follow.

VI. REMARKS

See attached talking points.

TALKING POINTS FOR SENATE DINNER

-- Thank you for all of your hard work on the major elements of our economic package.

-- Certainly we are disappointed with the outcome of the vote on the jobs bill. I appreciate the fact that this Caucus stuck with us and that almost everyone voted with us for cloture on the Mitchell/Byrd compromise.

-- But I know that this is a long term game, we'll learn from this experience and hopefully we'll be more help to you on our next initiative.

-- We are approaching the hundred day mark of this Administration. We've already accomplished a great deal in three months: Passage of the budget in near record time, Family and Medical Leave, and Motor Voter.

-- We've also launched our reinventing government initiative, have begun to cut waste in government, have had extensive bi-partisan consultation on Russian aid, and made progress toward resolving an important regional economic/environmental concern at the Forest Conference. Just last week we introduced our proposal on educational reform.

-- Next week we intend to formally introduce our initiatives on campaign finance reform and national service. I will be working with you over the next few months on reconciliation issues. A rapid completion of the reconciliation bill is a high priority for me in moving ahead with the economic plan.

-- In the next several weeks, the Health Care Task Force will be reporting its recommendations to me. Many of your staff have participated in this extraordinary process of developing a comprehensive health care reform proposal.

-- I am grateful for the work of your staff who have dedicated countless hours to our effort.

-- I rely on your advice and counsel, and thank you for what you have already done.

BACKGROUND ON SENATORS

* Senator Akaka:	He has voted consistently with us on the budget.
Senator Baucus:	He recently travelled with the First Lady to Montana for a health care event. The Environment and Public Works Committee, of which he is Chairman, had jurisdiction over the EPA bill. The bill is pending and is scheduled to come before the Senate on Tuesday for a vote. You should reinforce that this is very important and that he protect the bill, and stress to him that you want the bill left in its current form.
* Senator Bingaman:	He has invited you to come to New Mexico sometime in June for a fundraising event. His wife Anne is in line for a position (antitrust) at the Department of Justice, and we are trying to place her. He is very interested in defense conversion issues.
Senator Boxer:	Her son, Doug, worked on the transition team and is now at Legislative Affairs at HHS. She has been very supportive. She will likely want to talk to you about campaign finance reform, specifically the proposed plan to eliminate bundling. Many women Congressional Members are upset about the effects of this on Emily's List.
Senator Bradley:	He has some pharmaceutical industry concerns that he may raise with you in connection with the health care debate. He has asked for a meeting with you and pharmaceutical CEOs before the health care legislation is out. He also has concerns and has been critical about tax legislation.
Senator Breaux:	He was not satisfied with the Administration's strategy on the Stimulus Bill, and may communicate that to you. He is concerned we may be moving away from the "main stream" message, which he believes, helped to secure your election. He recently travelled with the First Lady and Senator Johnston to Louisiana for a health care event.
Senator Bumpers:	

• Senator Conrad:	He is very concerned about the effects of the energy tax on agriculture, particularly because of his bid for reelection in 1994. We tried to accommodate him on some of those issues in negotiations on the budget. His wife, Lucy Calautti, is Senator Dorgan's AA, and was attacked on Capitol Hill last year in a highly publicized mugging.
Senator Daschle:	He is the co-chair of the Democratic Policy Committee (DPC), and is responsible for much of the weekend program. The White House staff met with him this week to discuss better coordination of White House message with the DPC.
• Senator DeConcini:	He recently chaired a hearing on the White House budget. Despite early skepticism, he is working with us on the White House supplemental, over which he has jurisdiction. He has asked for a grazing fee hearing to be held by the Department of Interior in Arizona, a request that Secretary Babbitt is prepared to grant. He has invited Vice President Gore to attend a Washington D.C. fundraiser for him.
Senator Dodd:	He may want to discuss the effects of health care reform on the commercial insurance industry, much of which is based in Connecticut. He recently lost his well liked office manager, Leslie Finn, to cancer.
Senator Dorgan:	He has requested a meeting with you regarding the taxation of foreign businesses. This request is pending.
Senator Exon:	There have been several occasions in which he voted against us on the budget. He is a big St. Louis Cardinals fan.
Senator Feingold:	He is interested in overseas broadcasting consolidation (dismantling Radio Liberty and Radio Free Europe) and thinks we are backing away from this issue.
Senator Ford:	His daughter is undergoing chemotherapy for a recent mastectomy. His committee has jurisdiction over campaign finance reform, and he will be active in directing floor strategy for campaign finance reform. He is very concerned about sin taxes, and may communicate his concerns.
Senator Glenn:	His committee has jurisdiction over reinventing government proposals and over EPA cabinet level status.

Senator Graham:	He is Chairman of the Democratic Senatorial Campaign Committee. You should talk to him about Senator Krueger's race and the Senate Class of '94.
Senator Harkin:	His wife, Ruth, has been appointed to head Overseas Private Investment Corporation.
Senator Heflin:	In response to his concerns regarding the funding of a fertilizer plant in Alabama, we modified the budget successfully. He has been helpful to us when we have needed him on budget and stimulus votes. His wife's nickname is Mike.
Senator Hollings:	He has been enormously helpful to us on budget votes.
Senator Johnston:	He travelled with the First Lady to Louisiana with Senator Breaux for a health care event. He is concerned about the completion of the Red River Waterway project ($ 1.8 billion project) in Louisiana which was not funded for in the budget, and inland waterway user fees. He also has strong reservations on the energy tax.
• Senator Kennedy:	Try to avoid discussing health care jurisdiction with him. We are working with the Senate Leadership to work through jurisdictional issues on health care. We have committed to honoring a fundraising request in Massachusetts.
• Senator Kerrey:	He travelled with the First Lady to Nebraska for a health care event. He voted against us on amendments to the Stimulus Bill.
• Senator Kerry:	As the former Chairman of the Select Committee on POW/MIA Affairs, he met with General Vessey late this week.
• Senator Lautenberg:	He has some pharmaceutical industry concerns that he may raise with you in connection with the health care debate. He is separated from his wife, and will be accompanied by Bonnie Engelbart.
Senator Leahy:	He said in the Wall Street Journal last week that he had not been notified about Russian aid (see attached). Tony Lake did notify him.

Senator Levin:	He may raise his concerns over CAFE standards and auto emissions with you.
* Senator Lieberman:	He will probably bring up the Seawolf submarine issue with you. We have committed to honor a fundraising request in Connecticut, though the date is not yet set.
* Senator Mathews:	He voted consistently with us, although he is considered to be a deficit hawk.
* Senator Metzenbaum:	His daughter, Shelly, was recently appointed to a top position at the EPA. We have thus far unsuccessfully tried to place her husband, Steve Kelman, in numerous agencies. Senator Metzenbaum this week gave a fiery speech on the Senate floor in opposition to the increased funding of the intelligence budget.
Senator Mikulski:	You should avoid discussing the issue of her Appropriations Subcommittee (VA, HUD and Independent Agencies) gaining jurisdiction over National Service. (The decision will ultimately be made by Senator Mitchell).
* Senator Mitchell:	We have accepted his fundraising request in Maine on June 19th.
Senator Moseley-Braun:	Congratulate her on her engagement to Kgosie Matthews (Pronounced Josie, with a Spanish "j"). She has consistently supported us.
* Senator Moynihan:	He recently had a very productive meeting with the First Lady. We are planning to set up a one-on-one meeting with you and Senator Moynihan regarding reconciliation the week of May 3.
Senator Murray:	She has been very helpful to us. As a former kindergarten teacher, she is particularly concerned with children's issues.
Senator Nunn:	He met with James Lee Witt this week to discuss his disappointment with the FEMA declaration in Georgia. FEMA did not declare affected areas in Georgia a major disaster, because it did not meet those standards. Georgia is contesting this decision, which was announced in March. FEMA is likely to turn down the appeal. (There have been no instances of overturning a FEMA decision in this

	Administration. Overturning of a FEMA decision has occurred only a few times in the last decade).
Senator Pell:	He is interested in Russian aid, and is wary of a military solution to the situation in Bosnia.
Senator Pryor:	
Senator Reid:	He has been very supportive of us. He is concerned about the Yucca Mountain nuclear waste repository. He and Senator Bryan recently met with Mack McLarty regarding their concerns about Indian Gaming. He was a Capitol Policeman while in law school. (b)(6) (b)(6)
* Senator Riegle:	He has requested a meeting between the Michigan Congressional Democrats and Cabinet level agencies which have jurisdiction over auto issues. This meeting will be taking place soon.
* Senator Robb:	We just recently agreed to sign a fundraising letter for him. The letter should be on your desk in the next few days for signature.
Senator Rockefeller:	He has been very helpful to the First Lady in the health care realm. He met with her this week.
* Senator Sarbanes:	He has been extremely helpful to us on the economic package. He is very concerned about the reductions for federal employees in the budget, but has not voiced this publicly.
Senator Simon:	He is very interested in a balanced budget constitutional amendment.
Senator Wellstone:	He has been supportive of us.
* Senator Wofford:	We have committed to honor a fundraising request in Pennsylvania, although the date is not yet set.
Note:	* marks Senators who are up for reelection in 1994.

he introduced a liberalized Medicaid managed care measure that the NGA strongly supported. (This legislation was opposed by the Children's Defense Fund because they felt that savings through this cost containment approach would be at the expense of the Medicaid population).

Recently, the Chairman and his staff have been rather pessimistic about the chances for health reform this year. The complexity, controversy, and potential expense of it frighten them. The Chairman, in comments that have been somewhat retracted by staff, has indicated his concern about any large new taxes to fund the program and any use of price controls to contain costs. Although he has stated to you his willingness to raise whatever tax is necessary for the elimination and integration of Medicaid into the new system, as well as a one card for all system, his nervous statements should not be totally written off.

Senator Moynihan's most recent communication was in a letter to the President, in which he reiterated his strong support for a health security card and in which he proposes the idea of merging the health card and Social Security card into one. In the letter, he also expressed his strong concerns that the Social Security Commissioner has not yet been appointed.

Recent Developments: At your meeting this week with the Senate Finance Committee, Moynihan was among those who agree not to rush this thing. He expressed the view that the Administration should take more time if needed to do it right.

SEN. PATTY MURRAY (D-WA) - Senator Murray was a state senator before being elected to the U.S. Senate this past fall. She serves on the Budget, Appropriations and Banking committees. As a former state legislator, she will be sensitive to ensuring state flexibility, especially in light of the Washington state legislative health care initiative. While she has not taken on a public position on a particular health plan, she has indicated she will likely support the President as long as it extends coverage and allows for state innovation.

Sen. Murray is an advocate for women's health, including extreme concern about breast cancer and screenings. She also strongly backs long-term care as part of reform. She is very concerned about eliminating pre-existing conditions exclusions. Senator Murray will soon introduce legislation (similar to Congressman Reynold's bill) designed to raise the excise tax on firearms and earmark the revenue for health care.

SEN. SAM NUNN (D-GA) - Senator Nunn is known more for his Armed Services committee work, than for health care. Treatment of CHAMPUS and other Department

of Defense health programs under the reform plan will be a major concern. Senator Nunn hasn't taken a position on a type of plan. However, he is extremely opposed to employer mandates. In fact, the Senator states that President Clinton has assured him the plan will not include employer mandates. He is strongly in favor of tight entitlement caps. He is unsure how a global budget will work on private spending. As the Senator from Georgia, he also has strong rural health concerns.

Recent Developments: Nunn co-chairs a Commission which will soon be making recommendations on health care reform along the lines of managed competition. Reports are that they are leaning towards an individual mandate and it is likely that they will not support even temporary price controls. It is unclear whether they will endorse the concept of universality.

SEN. CLAIBORNE PELL (D-RI) - Senator Claiborne Pell is the most senior member of the Senate Labor and Human Resources Committee and a long-time advocate of "cradle to grave" health coverage. On health care reform, he is not an ideologue and is not committed to any method of reform. In 1972, he joined in introducing legislation which would have mandated employer-based health care reform. As a member who has been working on the issue for sometime and would be joyous to see actual progress.

Because of his well-to-do elderly constituency, Senator Pell voted to repeal the Catastrophic Health Care Reform legislation. This is significant because it may indicate that a prescription drug benefit that most well-to-do elderly already have will not be adequately responsive to an influential constituency of his. This helps explain why Senator Pell's top health care concerns include coverage for long-term care [Rhode Island has one of the highest percentages of elderly of any in the country] and preventive services [he is opposed to smoking and has sponsored legislation to provide grants to states for health promotion programs] and expanding the use of non-physician health providers. He also interest in studying other country's health care systems and taking lessons from their experiences.

SEN. DAVID PRYOR (D-AR) - Senator Pryor is part of the Senate leadership (Secretary of the Democratic Conference). As the Chairman of the Senate Special Committee on Aging, he is well liked and respected by the powerful aging advocacy community. In addition, he is one of the few Democrats that the small business community genuinely trusts. Further, his status as a former Governor and his advocacy of state-based approaches to comprehensive reforms has gained him a great deal of good will with the Governors. Although an unassuming Member and one who does not get overly involved in detailed policy discussions, he has also emerged as one of the most influential and best liked Members of the Senate. All of these roles ensure that he will be a particularly key player on the health care front.

In terms of health care priorities, drug cost containment is the first, second, and third highest priority for Senator Pryor. The concept of linking drug cost containment to tax credits (embodied in Pryor's Prescription Drug Cost Containment Act -- S. 2000) was endorsed by President Clinton.

In addition to his drug cost containment interests, he also has a notable legislative achievement record in rural health (relief for hospitals and incentives for primary care doctors in medically underserved areas), state-based reform (his NGA and Clinton candidate-endorsed Leahy/Pryor bill), and long-term care (his proposal for Federal standards for private long-term care insurance policies).

Recent Developments: At the Finance meeting April 20th, Sen. Pryor supported the view that more time should be taken to assure that you do it right. He backs the use of a dedicated tax for health care, perhaps a VAT. He also backs the inclusion of a long-term care benefit. He believes that as long as we will be spending billions of dollars, we should make certain that it attracts popular support for the plan. You may wish to acknowledge receiving the testimony Senator Pryor sent to you from the hearing he held recently on long-term care, particularly that of the 10-year-old which you found so moving. Also Senator Pryor has scheduled a hearing on May 6th focusing on individual responsibility. You are currently scheduled to attend a breakfast he is holding beforehand.

SEN. HARRY REID (D-NV) - Senator Harry Reid is in his second term in the Senate. Traditionally not outspoken on health issues, he spends most of his time with his Appropriations and Environment and Public Works committees. He has yet to take a position on a particular reform model. He is waiting to see what the HCTF and the President have developed. The Senator stresses rural health issues, and wants lead screening emphasized. Concerned about mandated benefit packages, because he believes they have not worked at the state level. He is also worried about the impact of reform on physicians' earnings.

DONALD RIEGLE (D-MI) - Senator Riegle considers himself to be a major player in the health care debate. He is Chairman of the Finance Subcommittee on Medicaid and was a lead sponsor of the Mitchell, Rockefeller, Kennedy "play or pay" health care reform proposal. He has always felt he did not get adequate credit for his work on the bill. Although he sponsored this bill, he appears to be extremely willing to sign on to virtually any approach that achieves universal coverage and cost containment.

Senator Riegle is very interested in many health issues, including: child immunization programs, rural health care, Medicare prescription drug coverage, retiree health liability concerns, long-term care, and a host of others. Senator Riegle strongly believes that cost containment savings should be used to help reform the health care system -- NOT for

deficit reduction.

Most recently, Senator Riegle has pushed his outreach efforts with the Medicare Qualified Medicare Beneficiary (QMB) program. The QMB program pays for the deductibles, premiums and copays of low-income Medicare beneficiaries. Unfortunately, only about 50 percent of the eligible population receive the benefit. This program, because it is partially underwritten by the states, is one of the most unpopular benefits that the states support. (Most of the states believe there are higher priorities). At any rate, Senator Riegle has introduced legislation to expand outreach efforts at SSA offices and other areas. (The Administration has not yet taken a formal position yet).

Recent Developments: At the April 20th meeting with the Finance Committee, he stated his interest in looking at longer budget periods than five years (he can't understand why we are always locked into a five year budget plan). He believes it is important to look at national, not just federal, spending because most of the saving will come from the private sector. He also felt that we needed to look at and change the language used to explain the plan.

SENATOR CHUCK ROBB (D-VA) - Senator Robb believes that cost-containment is the key and that it should be stringent. He has not taken a position on any particular health plan, but likes what he hears so far from the Task Force. He is likely to be supportive. He was an active member the Mitchell working group and was comfortable with its overall approach. Also, he was a member of the National Leadership Commission on Health Care which predated the National Leadership Coalition. Senator Robb is up for re-election in 1994.

SEN. JAY ROCKEFELLER (D-WV) - Senator Rockefeller views himself as being (and is) Bill Clinton's number one health care advocate. He was a tireless campaigner and defender of the Clinton health care plan and was a National Co-Chair of the Clinton campaign. Rockefeller is the current Chairman of the Finance Subcommittee on Medicare and Long Term Care. He also has chaired the Pepper Commission and the National Commission on Children.

In addition, Senator Rockefeller is the founder and Chairman of the Alliance for Health Reform, a nonpartisan organization dedicated to advance health care reform through education of public opinion leaders. Lastly, as you well know, his is now serving as the new Chairman of the Senate Veterans Committee.

Senator Rockefeller's health care priority is very simple: He desperately wants to see a comprehensive reform package enacted during the Clinton Presidency. Although he thinks the long-term outcome of such an achievement is politically attractive, he is primarily pushing this reform because he is sincerely committed to the need for reform. In this vein, he is not overly committed to any one particular approach although he has

advocated an employer-based approach. He, therefore, can be counted on to support virtually anything the President ends up proposing, as long as it achieves universal access and cost containment.

Senator Rockefeller was very pleased with the Veterans' meeting last Thursday. He was concerned about the AP story the day after, but from the beginning did not believe it was true.

Recent Developments: At his one on one meeting with you he was upset with Gore, Bentsen, Panetta who he thinks are less than supportive of reform. He thinks Moynihan can be brought on board. He urged using the phone more to increase contact with members. He felt that of the Finance Committee Republicans that we should go after Chafee, Danforth and Durenberger (He seemed less confident about Packwood). Will play the heavy on taxes with the public, press, and members. It may well be worth reiterating your desire to meet with him on a substantive level over the next few weeks.

SENATOR PAUL SARBANES (D-MD) - Senator Sarbanes is in his third term and is up for re-election in 1994. He originally supported Kennedy's Single Payer plan in 1972, but realizes it won't work today. Currently, he is not committed to a specific approach and is open to different options. He has a wait and see attitude on the HCTF deliberations, but he wants to help Clinton and will support Mitchell, Rockefeller and the Democratic Leadership.

SENATOR PAUL SIMON (D-IL) - Senator Simon is very interested in health care reform, and leans toward a single payer approach but also cosponsored the Leadership's Health America bill. He is close to organized labor and sponsored amendments to strengthen the cost containment provisions of HealthAmerica proposed by the AFL-CIO. He has also been one of the Senate's strongest advocates for long-term care and has cosponsored many bills in this area. He is very interested in children's and minority issues. He has a long standing interest in education issues, particularly higher education. He is a strong supporter of increasing enrollment of minorities in health professional schools.

Recent Developments: Sen. Simon recently met with Robyn Stone and reiterated his avid support of a significant long-term care plan. He cites his Senate campaign in which he advocated comprehensive long-term care legislation which outlined specific tax mechanisms. This plan received a great deal of support in the state, so much so that his opponent then-Secretary Lynn Martin pulled ads attacking the tax because they were so negatively received by the electorate.

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).

Recent Developments: Indicated concern regarding talking points distributed by the Task Force to the members of Congress particularly how single payer was characterized.

SENATOR HARRIS WOFFORD (D-PA) - Since his Senate race victory which was widely attributed to his support of health reform, Senator Wofford has actively pursued this issue in the Senate. He is part of the group of five (with Daschle, Baucus, Kerrey and Bingaman) on a single financing state implemented health system with a national health board approving state plans. Employers and individuals would pay a progressive premium to a fund which would go back to the states on percentage basis. The original Daschle-Wofford 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 of regionally administered and the long-term care coverage is essential. He has previously 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 to comprehend by the public. For example he dislikes intensely the term "global budget, believing that it is too large to understand and turns people off. He believes that Clinton and Congress must do a lot of educating on health care reform.

Recent Developments: It has become clear to the Senator that his election is tied to Health Care Reform. He will be very helpful. Language use to describe and sell the plan are very important to him. He is very appreciative of your attending his forum in Harrisburg earlier this year.

PERSONAL AND ~~CONFIDENTIAL~~ MEMORANDUM

TO: Hillary Rodham Clinton
FR: Chris Jennings
RE: House Leadership and Chairman Meeting
cc: Melanne, Steve, Lorraine, Ira

April 27, 1993

Attached is Lorraine's memo to the President preparing him for tomorrow night's health care dinner meeting with Speaker Foley, Dick Gephardt, David Bonior, Barbara Kennelly, Dan Rostenkowski, John Dingell, William Ford, Pete Stark, Henry Waxman, and Pat Williams. This meeting, like the Senate retreat and all the Congressional Leadership Meetings with the President, has the potential to turn the Members around from quiet naysayers to strong advocates who can influence the rank and file.

BACKGROUND

The feedback from today's meeting with the House and Senate Leadership (from senior level staff) has been very positive. The President and you have apparently succeeded in getting the Leadership (at the very least, Mitchell and Gephardt) significantly invested in strategizing as to how best to get a health reform bill passed.

If tomorrow's meeting with the rest of the House Leadership achieves the same result, I believe the President and you will have made important headway towards making health care reform an initiative the Leadership and Chairmen WANT to pass -- not HAVE to try to pass.

The two goals of the meeting are the same as always: First, it is important to illustrate your understanding of the difficulties the Leadership faces in passing the reconciliation bill. Second, to emphasize the commitment to pass health care and the need for their assistance in order to accomplish this goal.

One last bit of advice. It is also the same old tune: Encourage and make a point of allowing a lot of time for the Members to talk and give political advice. The worst outcome of tomorrow's meeting would be for any one of the Members to be silent for the night. Keep them talking and I am sure the meeting will be a great success.

THE WHITE HOUSE

WASHINGTON

April 27, 1993

HEALTH CARE DINNER WITH HOUSE MEMBERS

DATE:	April 27, 1993
LOCATION:	Old Family Dining Room
TIME:	8:00 pm
FROM:	Lorraine Miller/Chris Jennings

I. PURPOSE

You will meet with ten Members of the House Leadership, including the Chairmen and Subcommittee of the three primary Committees of jurisdiction over health care. The purpose of this meeting is to ascertain the willingness of these Members to work together to pass a your health reform initiative this year and to invest them in a strategy and timeframe to do so.

II. BACKGROUND

Tomorrow's meeting builds on the discussion you held today with the Speaker and the two Majority Leaders. Just as you engaged the senior Congressional Leadership in your efforts to pass health reform, the goal of the dinner meeting is to do the same with the Members who must get the legislation out of their Committees in a timely manner.

This meeting has the very real potential to set the tone for the type of cooperation the Administration will receive in its efforts to gain prompt consideration and passage of your health reform bill. Similar to today's meeting, we believe that tomorrow night's discussion will focus predominantly on the problems of the introduction of a health care bill could cause to the prospects of the passage of reconciliation. In addition, the Members will likely focus on the bottom-line issues of cost and financing. They will also test to see if you have the commitment and understanding necessary to work this complex and controversial through the Congress. They may also want to see if you have the public message, as well as the policy substance, necessary to incite the public to push the Congress forward.

A successful meeting would invest the Members into the process of strategizing about the best time for introduction of the bill, the timeframe for hearings and mark-up (including Rules Committee consideration), and the most opportune time for positive action on the House floor.

In addition, to timing strategy, the Members will want to give their advice on how to gain the necessary political support for the legislation through the policy development process. Like most Members, they prefer to talk, rather than listen, and you should probably invite as much advice and guidance as possible.

III. PARTICIPANTS

(See attached list).

IV. PRESS PLAN

Closed press.

V. SEQUENCE OF EVENTS

* President and First Lady enter Dining Room for greetings.
* Dinner and Discussion Commences

VI. REMARKS

* Health care reform is a priority for me, and I believe it is in both our economic and political best interest to pass it this year.

* Legislation of this magnitude obviously cannot pass without the cooperation, guidance and support of all of you. I wanted to take this opportunity to tap into your resevoir of experience about both the process, politics, and substance of health care.

* You all have been working on this issue for years and years. If fact, some of you (Dingell) have been working on this issue for decades.

* I am well aware of the concerns about the potential problems of introducing health care too soon to the deliberations on the reconciliation package. However, I do not want this potential problem to unnecessarily block progress on passing health care this year.

* I need you to build on the assistance you have already provided to the First Lady in developing a passable plan in the first place. I need your help to develop a legislative strategy that will work to secure passage in the House. I need your assistance to work the bill through the Committee process. I need your help to gain the rank and file support necessary to pass this bill. And I need your help to place pressure on the Senate to do the same.

PROFILES - HOUSE DEMOCRATIC LEADERSHIP
April 27, 1993

SPEAKER TOM FOLEY (Speaker of the House)

For some time he has been saying publicly how he doubts that it can be passed this year. It part this can be viewed as a reflection of signals he is picking up from the members. However, it should also be noted that health care reform has never been a priority issue for the speaker. But he certainly wouldnn't stand in the way of reform if he thought there was sufficient support for it. He supports the use of a VAT if needed as a financing mechanism.

REP. DICK GEPHARDT (Majority Leader)

The House Majority Leader has been a strong supporter of the health care reform effort. He was very pleased with today's (4/27) meeting. He will work the committee to pass reconciliation quickly to remove any obstacles with regard to the health bill. He is pleased that the tax requirements for funding the health legislation are not as large as he has been reading in the paper.

REP. DAN ROSTENKOWSKI (Chairman, House Ways and Means Committee)

Last Congress, Rostenkowski introduced an employer-based, global budget universal access plan. It was more an initial attempt to enter the health care debate than any deep commitment to the approach. His primary concern will be protecting the jurisdiction of his committee rather than the details of the plan itself. Lately, he has been one of the members preaching to take the time to ensure the plan is done right, even if it means missing the deadline. He wants health care reform but remains to be seen whether he will go to it with the enthusiasm he brought the 1986 Tax Reform Bill. There are some who feel he may be playing down the possibility of passage this year so that he can come to the rescue, as he has done in similar situations in the past.

REP. PETE STARK (Chairman, Ways and Means Subcommittee on Health)

For sometime Stark has backed a single-payer model for health care reform based on extension of Medicare to the entire population. As vice-chairman of the Pepper Commission he voted against its pay-or-play plan -- partly because it was not a single payer plan but more importantly because in his view it made concession to more moderate to conservative elements of the Commission without winning their support. Stark recently released a letter from the Director of Cal Pers (the insurance plan for California Public Employees) in which the Director denied that his approach was managed competition. His behavior is often unpredictable. However, he respects Rostenkowski and will be unlikely to go against his chairman.

REP. JOHN DINGELL (Chairman, House Energy and Commerce Committee)

Chairman Dingell has been reintroducing his father's single-payer bill since he first arrived nearly 40 years ago. However, like Rostenkowski, he is likely to be more concerned by jurisdictional issues than the details of the plan. In meetings he has expressed his view that the plan should guarantee universal coverage to acute care services with state flexibility to develop their own plans. He thinks the plan should also include cost containment, malpractice reform and coverage for preventive services including family planning. He wants reform passed this year and was upset by recent comment from Director Panetta.

REP. HENRY WAXMAN (Chairman, Energy and Commerce Subcommittee on Health and the Environment)

Rep. Waxman is one of the most well-versed members of the Congress on the details of health reform issues. His primary concerns will be assuring universal coverage as quickly as possible and barring against substandard coverage for poor and low-income individuals. To that end he will be wary of any plan that gives states to much flexibility and will push for specific federal standards.

REP. BILL FORD (Chairman, House Education and Labor Committee)

As a representative of a heavily industrial district in Michigan, Rep. Ford is very concerned about the impact of health reform on the U.S. Auto industry, their workers and retirees. Not surprisingly, he is a strong advocate for focusing on strong cost containment, a position adopted by many unions and big manufacturing corporations. He can also be expected to oppose a tax cap on insurance benefits or any other proposal which might undermine negotiated union benefits. Like most Committee Chairs, he will be protective of his jurisdiction and will want to be reassured that his committee will not take a back seat to the Ways and Means and Energy and Commerce Committees.

REP. PAT WILLIAMS (Chairman, Education and Labor Subcommittee on Labor-Management Relations)

Williams is Chairman of the Education and Labor Subcommittee dealing with ERISA and Labor issues (including employer requirements). He wants his subcommittee and the full committee to be taken seriously as one of the three committees of jurisdictions, a full partner with Ways and Means and Energy an Commerce. He is open to any option for reform as long as it is comprehensive. The House Leadership has him on their safe list, but he should be given enough attention to make sure he is happy. His recent trip to Montana with the First Lady should have gained some good will although he may harbor some bruised feelings over his perception that he was excluded from initial planning discussions about the trip.

REP. DAVID BONIOR (Majority Whip)

The First Lady met with Rep. Bonior today. He reiterated his strong support and commitment to passing health reform this year. Bonior is one of the most accurate vote counters in the House and one of the most effective Whips in a number of years. He will be critical to assuring sufficient votes on the House Floor in final passage. He has major concerns, however, regarding abortion. He has indicated to others that he would have difficulty lobbying for a bill that includes abortion services unless it can be separated out is a separate component of the legislation.

REP. BARBARA KENNELLY (Deputy Majority Whip)

As a representative of Hartford, CT, the insurance capitol of the United States, Rep. Kennelly will be sensitive to the impact of reform on the insurance industry. She is considered an expert on tax issues, particularly the taxation of insurance benefits. Despite her insurance concerns, she wants health care reform. She can be a valuable ally both with the Congressional Women's Caucus and the House's Old Guard.

April 1, 1993

MEMORANDUM

TO: Chris Jennings
FROM: Karen Pollitz
RE: House leadership meeting agenda

At your request, this memorandum reviews the issues we discussed last night with staff to the House leadership and Committee and Subcommittee chairs in preparation for the health care reform discussion scheduled for tomorrow morning at 9:00.

Attending this meeting will be Speaker Foley, Majority Leader Gephardt, Majority Whip Bonior, and Chairmen Rostenkowski, Dingell, Ford, Stark, Waxman, and Williams and their staff.

As expressed by staff, the House leadership has strong expectations for the content and outcome of tomorrow's meeting. In order to be responsive to the concerns they have raised, the discussion should focus on some key areas:

1. The leadership needs to hear voiced a clear statement of the President's intent to enact health care reform this year.

This statement is most appropriately expressed by Howard Paster as the President's senior liaison to the Congress. While the House leadership has appreciated their meetings with Ira Magaziner and Judy Feder on the policy of health care reform, they strongly desire a serious discussion with Howard on the politics of health care reform. In particular, some have been concerned that the decision not to include health care reform in budget reconciliation may signal a wavering of the President's intention to enact health reform in 1993. A restatement of the President's commitment by his senior Congressional advisor is important.

2. The leadership would appreciate a substantive discussion of the timetable and strategy for enacting health care reform.

This discussion is important for several reasons. First because the timeline for House action is necessarily short, the Committee chairmen will need specific instructions from the White House and the House leadership on expediting consideration of the President's health reform bill. They would like to discuss the practical problems that will be faced in meeting such short deadlines and how best to address these. Howard has discussed a target date of Labor Day for House passage of health care reform. This permits roughly ten weeks for House Committee and floor consideration, unless a shortening or cancellation of the August recess is contemplated. In addition to reviewing the feasibility

of this schedule, the leadership also would appreciate White House acknowledgment of the enormous workload these Committees will need to undertake in order to enact both Reconciliation and health care reform this year.

Second the leadership would like some discussion of the anticipated Senate strategy and timetable. They are concerned that delays in Senate consideration increase time pressure on the conference committee and political pressure on House conferees to recede.

Third the First Lady's absence during the past three weeks has hindered the Administration's process somewhat. The Leadership wonders whether this will result in an extension of the President's May 3 deadline. If a two-week delay appears inevitable at this point, it would be appropriate to inform the leadership at this meeting.

3. The leadership would appreciate discussion of the relationship between budget reconciliation and health care reform.

In addition to the timing problems of completing conference on budget reconciliation as the President's health reform plan is announced, the leadership has genuine concerns about the political link between these two bills. First concerns have been expressed by Reps. Stark and Waxman and others over the similarity between many of the Clinton Medicare and Medicaid budget proposals to earlier proposals by the Reagan and Bush Administrations. Several in particular (bundling inpatient physician services into hospital payments, reducing payments to for-profit nursing homes, reducing payments to teaching hospitals) have been considered and rejected by Congress in the past. Further these proposals create political problems for Committee members who are protective of those provider interests.

Second many in the leadership are concerned that focused interest group opposition to the targeted budget cuts will be intense, slowing consideration of budget reconciliation. (It is noteworthy that some of this opposition is anticipatory and has not yet materialized.) The leadership is also concerned that the reconciliation conference will be underway as the health reform package is unveiled, fueling health care interest group opposition and creating political risks for the budget reconciliation bill.

Third Mr. Stark believes replacing the specific budget reconciliation proposals with a simple one year moratorium on Medicare payment updates yields comparable budget savings, is simpler to conference, and put all providers on notice that

drastic cost cuts will be needed until comprehensive reforms are enacted. Stark acknowledges that freezes are bad policy and maintains the freeze can and should be replaced by more targeted cuts in the ensuing health care reform bill.

A serious discussion of this proposal is important to the leadership. There are strong political and policy arguments on both sides and the issues need not be settled tomorrow. Nevertheless it is important for the Administration to raise it in order to acknowledge the Congressional concerns that have been expressed repeatedly. The political implications of the timing and policy links between reconciliation and health care reform must be identified and weighed, as well. Finally, Mr. Stark's particular sensitivity to his own role thus far in the health care reform debate must be considered. He believes his views have not received appropriate consideration. The Administration risks his opposition if this belief persists.

4. The leadership expects a detailed discussion of the process for consultation between the Administration and key Congressional health players between now and the unveiling of the President's plan.

The leadership has requested that staff level discussions take place during the April recess as the policy options and budget estimates become available. In addition, several Members of Congress have requested meetings during the recess to review and comment on options. Immediately upon return to Washington, an intense two- to three-week period of Congressional consultation must begin. Members have expressed repeatedly their willingness to provide the President a political reality check as he weighs options and makes decisions. They have expressed, as well, their strong concerns for the fate of health care reform should such meaningful consultation fail to occur.

The staff raised the possibility of the Administration preparing a preliminary proposal for review by key Congressional leaders before discussion of the President's actual proposal. Review of a preliminary document would permit this consultation to occur before the President makes final decisions and declares ownership of his own bill. Staff also expressed the critical importance of this consultative process to include review of written proposals. They acknowledge the problems of leaks and are willing for all paper to be collected at the end of each meeting. Oral staff briefings before member meetings would be acceptable, as well.

As soon as we receive permission, we can begin to schedule staff and Member meetings. The Majority Leader's staff has stressed the importance and urgency of this process.

5. A substantive discussion of the policy options currently on the table should take place at the 10:30 am meeting with Democratic members of Ways and Means, Energy and Commerce, and Education and Labor.

The leadership is most concerned that their discussion focus on political strategy and process. They would like to engage in policy discussions, as well, at the broader meeting with their Committee members immediately following this session. Ira and/or Judy might conclude this meeting by announcing a summary of the issues and options they are prepared to discuss at 10:30.

Not Final

M E M O R A N D U M

TO: Howard Paster, Steve and Lorraine April 4, 1993

FR: Chris J.

RE: Ways and Means Subc. on Health/ Interactive Meetings

cc: Melanne, Susan

BACKROUND

As you know, last Wednesday, Ira was the recipient of a classic Pete Stark personal attack. In the meeting, Congressman Stark -- among many extraordinarily negative comments -- stated he had no desire in meeting with Ira until after decisions and paper were available to review.

Following the meeting, most of the Members -- embarassed by the treatment Ira received -- expressly stated that they disagreed with Congressman Stark and requested that we set up meetings separately with them, even if the Subcommittee Chairman would not attend. Hours later, Chairman Rostenkowski called to apologize on behalf of the entire Committee for Congressman Stark's behavior.

After this conversation, and following a discussion between Majority Leader Gephardt, Mrs. Clinton, and Ira, it was decided that Ira should try to set up a meeting with Pete Stark to attempt one more time to establish a more constructive relationship. Ira did so, and arranged and held a meeting on Thursday morning.

Although Congressman Stark did not apologize during the meeting, Ira characterized the discussion as generally constructive and substantive. In fact, they agreed that they would hold another one-on-one conversation again either this week or next.

Before and again following the Thursday morning meeting, David Abernathy (the Subcommittee Staff Director who directly reports to Rostenkowski) made it clear that Pete Stark would not want to have any Subcommittee Members' meeting without being present. He also stated, however, that meetings would be advisable and requested that they take place during the week of April 12th. Prior to these Members' meetings, he urged (and I agreed to schedule) one or two Committee staff meetings.

CURRENT ISSUE

Karen Pollitz (from Jerry Klepner's shop) reports that Congressman Levin, although he knows that Pete Stark and his staff wants to wait until next week to hold Members' meetings, feels extremely strongly that a meeting between the Members and Ira should not wait a week. He believes (and I believe he is right) that most of the Subcommittee Members want a meeting before then.

We could arrange for such a meeting, but -- out of a concern that I should not risk further alienating Stark -- I have chosen to defer to the Subcommittee Chairman for the moment and have yet to schedule anything. I mention this to you for two reasons:

(1) Because I want to make certain you agree with my current call on a non-Pete Stark Subcommittee Members meeting; and

(2) Because I believe that Congressman Levin may feel so strongly about proceeding with meetings that he may actively lobby you or me for a Members' meeting.

Should Congressman Levin follow-up and call, I believe we should be honest with him about our concerns about further straining our relationship with Stark. If he still persists, I recommend that we respond by holding a one-on-one meeting between Congressman Levin and Ira and/or Judy.