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4070 Pay More

file

MEMORANDUM

TO: Distribution
FR: Chris Jennings
RE: 40 Percent Pay More Issue
cc: ✓ Hillary Rodham Clinton

October 31, 1993

In recent days, there have been many in the press who have suggested that the Administration has been misleading about the numbers of Americans who would pay more under the Health Security plan. I was reminded that this is not the case, at least so far as the First Lady is concerned, when I was reading through some hearing transcripts today.

Specifically, during the First Lady's testimony before the Senate Finance Committee on September 30th -- over a month ago, she specifically cited how many people would pay the same or less, and by implication, how many would not. She also touched on the "with rights and benefits come responsibilities" theme. What follows are some relevant remarks taken directly from the transcripts of her opening oral statement:

"Under our health security plan, employers and individuals who pay premiums today will continue to do so. And six of every ten Americans who currently have insurance will pay the same or less than they do today for coverage that is as good or better than what they get today....

"We estimate that approximately 63 percent of Americans who currently have health insurance will pay the same or less than they pay today for coverage that is as good or better than what they get now.

"Every individual will have to take responsibility and pay something.... And it is an idea that some would argue is a pretty old-fashioned one because it builds on the system we have. It was advocated, as you pointed out, Mr. Chairman, by President Nixon, introduced by Senator Packwood, and it will provide a familiar way for Americans to know they will be secure....

"Even with this approach though, there will be people who have every right to ask, why do I have to pay anything. They will say, for example, I am young and healthy and I will not get sick. Or, I have fought hard for my health benefits. I already pay a lot and I do not want to pay a penny for anything else. Or, in the case of small business, I do not think I can afford to pay anything.

"We believe the answer to these questions goes beyond responsibility and directly to the heart of what health care reform and health security is all about...."

We have done well in the past, and will continue to do so in the future, on the Hill, in the media and with the general public when it is perceived we are being as honest and direct as possible. When the inevitable occurs and the debate becomes even more heated and detailed, the rank and file in the Congress will be much more open to taking our position if they perceive that the public finds us more credible than our opponents. I believe that openly acknowledging the cost increase elements of our package will help us in this regard.

Hopefully, Mrs. Clinton's past comments can help us better make our case and maintain our credibility. Other statements previously made by the First Lady and other Administration officials in the past few weeks may also help bolster our position. Just a thought...

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